

## Bendigo Bank: What has changed in FY25

		FY25 Changes
Board	Appointments	<ul style="list-style-type: none"> <li>Marnie Baker retired as Chief Executive Officer (CEO) and Managing Director (MD) on 30 August 2024.</li> <li>Richard Fennell was appointed the new CEO &amp; MD on 2 July 2024 and commenced in the role on 31 August 2024.</li> <li>Daryl Johnson was appointed as a Non-Executive Director on 30 September 2024 and elected by shareholders on 7 November 2024.</li> <li>Travis Dillon was appointed as a Non-Executive Director on 21 February 2025 and will stand for election at the Annual General Meeting (AGM) on 21 October.</li> <li>David Matthews retired as a Non-Executive Director at the AGM on 7 November 2024.</li> <li>David Foster resigned as a Non-Executive Director on 23 September 2024 (while on a Leave of Absence).</li> <li>Board bench strength deepened by appointments in FY25.</li> <li>Board tenure reduced from an average of 4.32 years to 2.41 years.</li> <li>Continued uplifts in onboarding and induction process to support Financial Accountability Regime (FAR) obligations on Non-Executive Directors.</li> </ul>
	Committee composition	<ul style="list-style-type: none"> <li>Board Audit Committee is chaired by Richard Deutsch.</li> <li>Board Risk Committee is chaired by Victoria Weekes. <ul style="list-style-type: none"> <li>The Board Financial Risk Committee was retired effective 28 February 2025.</li> </ul> </li> <li>Board People and Culture Committee is chaired by Abi Clelland.</li> <li>Board Technology and Transformation Committee is chaired by Alistair Muir.</li> </ul>
Executive	Appointments	<ul style="list-style-type: none"> <li>Sarah Bateson was appointed as Chief Marketing Officer on 2 September 2024.</li> <li>Xavier Shay was appointed Chief Digital Officer on 2 September 2024.</li> <li>Louise Tebbutt resigned as Chief People Officer on 6 September 2024.</li> <li>Taso Corolis ceased accountabilities as Chief Risk Officer and commenced as Chief Customer Officer, Consumer on 7 October 2024.</li> <li>Fiona Thompson was appointed Chief People Officer on 2 December 2024.</li> <li>Kerrie Noonan was appointed Chief Risk Officer on 20 February 2025.</li> <li>Kieran O'Meara was appointed Chief Technology Officer on 1 April 2025.</li> <li>Ryan Brosnahan retired as Chief Transformation Officer on 30 June 2025.</li> </ul>
Remuneration	Variable reward and consequence management	<ul style="list-style-type: none"> <li>Bendigo Bank retained its Short-Term Incentive (STI) and Long-Term Incentive (LTI) variable reward structure. This ensures focus on delivery of both short- and long-term strategies. A significant portion of remuneration is delivered in equity, which strongly aligns the experience of Executives and shareholders. Our performance measures are designed to drive long term shareholder value creation.</li> <li>Bendigo Bank matured its approach to the requirements of APRA's Prudential Standard CPS 511 Remuneration (CPS 511) including embedding the Consequence Management Policy (CMP) and Committee (CMC). The CMP, applicable to all employees, clarifies risk and conduct standards and associated consequences.</li> <li>FY26 sees executive STIs replaced with individual scorecards combining group and individual measures, enhancing accountability and aligning performance with strategic priorities. Customer measures within the STI scorecard have been adjusted to better distinguish them from LTI measures.</li> </ul>
	Gender pay equity	<ul style="list-style-type: none"> <li>Management at a divisional level and increased transparency in reporting gender metrics throughout FY25 allowed the Bank to meet the 40:40:20 gender diversity targets at most levels of the organisation.</li> <li>Going forward we are focused on growing female representation in our Senior Leader Group cohorts and will report this performance on an ongoing basis.</li> <li>Gender Pay Gap: Average: 25.2%. Median: 26.6%</li> <li>Gender Diversity: Enterprise: 59%. Board: 44%. Executive (KMP and other Executive Members): 27%. Senior Leader Group: 41%.</li> </ul>
	Fixed pay weighting	<ul style="list-style-type: none"> <li>Historically Executive remuneration has been weighted towards fixed pay.</li> <li>The Board will continue to review the remuneration framework to ensure that it supports the delivery of the 2030 strategy and continues to attract, motivate and retain the talent needed to make the bank better for all and to create long-term value for shareholders.</li> </ul>

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	Disclosure	<ul style="list-style-type: none"> <li>Significantly enhanced the disclosure of STI and LTI design in the FY25 Remuneration Report, including measures, targets and rationale for STI and LTI performance measures and alignment to CPS 511 and non-financial outcomes.</li> <li>Enhanced disclosure of performance outcomes and commentary for FY25 STI Scorecard.</li> <li>The Board approved materially lower short term incentive outcomes for senior Executives in FY25 compared to prior years, reflecting our commitment to ensuring that remuneration outcomes are aligned with shareholder interests and community expectations.</li> </ul>
Sustainability		<ul style="list-style-type: none"> <li>Refer to <b>FY25 Sustainability Performance</b> for an overview of the Bank's sustainability performance in FY25.</li> </ul>

## Sustainability Approach

Bendigo Bank's sustainability is governed by the Board, overseen by the Audit Committee, ensuring alignment with shareholder interests. Executive accountability for strategy and implementation rests with the CFO, reflected in their performance statements. Remuneration is linked to ESG performance, including the Climate & Nature Action Plan and social impact initiatives, promoting alignment between sustainability goals and reward outcomes.

### Risks and opportunities

Bendigo Bank identifies and manages material sustainability risks and opportunities via a dynamic materiality process, annually reported. Focus is on four key SDGs: Decent Work, Reduced Inequalities, Sustainable Cities, and Climate Action, informing strategy and material topic validation.

### Disclosure

Our annual reporting is produced with reference to the GRI Standards and our recent reporting has been developed by leveraging guidance from the International Financial Reporting Standards (IFRS) S1 & S2.

In FY25, the Climate Disclosure and selected metrics in our ESG Data Summary received limited assurance from EY.

### Commitments

Focus Area	Commitment	Status	FY25 Outcomes
<b>Climate &amp; Environment</b>			
BEN 1.5°C	Reduce Commercial Real Estate emissions to 11.68 kgCO <sub>2</sub> e/m <sup>2</sup> (-70%) by 2030	In progress	FY24: 23.1 kgCO <sub>2</sub> e/m <sup>2</sup> (-40% from baseline)
	Reduce Residential Mortgages emissions to 7.26 kgCO <sub>2</sub> e/m <sup>2</sup> (-59%) by 2030	In progress	FY24: 13.9 kgCO <sub>2</sub> e/m <sup>2</sup> (-22% from baseline)
	Support Agri customers through climate-related insights, banker capability and engagement with highest emitting customers	In progress	Engagement planning commenced
	No direct lending exposure to coal, coal seam gas, crude oil, natural gas, native forest logging projects	Maintained	Policy in place
	Reduce Scope 1 and Scope 2 emissions by 92% by 2030	Achieved	92.9%
	Maintain 100% renewable energy	Achieved	100%
	Maintain carbon neutral status	Achieved	In place since 2020
<b>Social</b>			
Gender Diversity	40:40:20 (40% female, 40% male and 20% any gender representation) across Enterprise, Board, Executive and Senior Leader Group by 2028	In progress	3/4 levels on track
Inclusion Index	Maintain 80% and target year-on-year improvement	Achieved	81%
Workforce representation	Maintain baseline and target year-on-year growth	Achieved	See ESG Data Summary
Customer	Achieve 20-point gap when comparing Bendigo Bank's NPS to the industry average	Achieved	BEN: 28 Industry average: -8,4
Community	Maintain Community Bank investment	Achieved	\$50.2 million
<b>Governance</b>			
Reputation	Maintain an average RepTrak score of 8 points above the Big 4 banks (ANZ, CBA, NAB, WBC)	Achieved	74.9 8.8 gap at 30 June 25
Social procurement	Increase social supplier spend by 4% year-on-year	Achieved	\$19m+ (FY24 \$10.83m)

## FY25 Sustainability Performance

Risks & Opportunities	FY25 Outcomes	FY26 Priorities
Climate change	<b>BEN 1.5°C:</b> An evolved and data-led climate approach with 1.5°C aligned science-based targets for the Bank’s most material sectors of <b>Residential Mortgages</b> and <b>Commercial Real Estate</b> and engagement targets for <b>Agriculture</b> sector with Transition Plans developed.	- <b>Transition Plan implementation:</b> For material sectors (Residential Mortgages, Commercial Real Estate, Agribusiness). The first step is to support the capability uplift of front line with tailored Customer Conversations toolkits.
Customer experience and wellbeing	<b>Bendigo Bank Recognition:</b> Highest rate of home loan customer satisfaction (Roy Morgan), Most Trusted Agribusiness Bank among farmers (Roy Morgan). Awarded Canstar’s Outstanding Value – Green Car Loan Award for second year running.	- <b>Transformation:</b> Digital onboarding will uplift our digital account opening capability. Targeting one core banking system by December 25.
Information privacy and data security	<b>Performance:</b> Strengthened information security through improved security processes and password management practices, conducting regular capability uplift and leveraging automation to improve cyber incident detection.	- <b>Cyber Security:</b> Continue to conduct annual cyber security maturity assessments.
Financial crime risk	<b>Blocked \$47 million</b> in fraud or scam transactions.	- <b>Fraud and Scam Detection:</b> Continue investment to block transactions.
Governance, conduct and ethics	<b>Most Trusted Bank:</b> RepTrak: 74.9 (8 pt gap maintained); Bendigo NPS: 25 (industry average -8.4) and Up NPS: 55.2 (was 49).	- <b>BEN Strategy:</b> Continued implementation of enablers initiatives. Futureproof our risk management capabilities, streamline our technology foundations and build a performance-based culture and op model to drive delivery of the Bank’s strategic pillars.
People	<b>Belonging at BEN:</b> Gender pay gap (median) at 26.6%. Gender pay gap (average) at 25.2%. Completed 100% of Reconciliation Action Plan (RAP) FY25 actions.	- <b>Belonging at BEN:</b> Implement 2026-2028 strategy.
Thriving Communities	<b>17% of the Community Bank network received Social Traders social enterprise certification.</b> <b>Community Impact Hub:</b> 78% of the Community Banks onboarded by June 2025, allowing for better measurement of impacts and outcomes of community investments across the Community Bank network	- <b>Community Impact Hub:</b> Continue roll out to help Community Banks identify more opportunities for impact and collaboration.

## Remuneration Approach

### Balanced approach

The Bank's reward approach is designed to attract, motivate and retain the talent needed to make the Bank better for all. The remuneration framework helps drive strategy execution, prudent management of risks, generate sustainable shareholder returns and promote the prosperity of our customers and communities. It is made up of Fixed Remuneration, Short term incentives and Long term incentives.

Our remuneration principles:

- Strategy-led reward
- Reward balanced outcomes
- Recognise people for their impact
- Transparent and simple measures
- Embedded risk management

### Governance and accountability

The Board has maintained a strong focus on governance, risk oversight and accountability. Our internal governance and accountability frameworks have strengthened, as we mature our approach to consequence management and APRA's Prudential Standard CPS 511 requirements.

### Performance and reward alignment

The Board approves the annual Group Scorecard, which contains both financial and non-financial measures, as well as the LTI which has longer term measures. The Board ensures that the targets for each measure are appropriately challenging, aligned to our performance orientation.

The Board applies judgement when assessing outcomes to ensure they are appropriate and aligned to the shareholder experience, and broader factors outside of the scorecard.

### Non-financial outcomes

Adhering to CPS 511 requirements, both STI and LTI are materially weighted towards non-financial measures.

STI rewards the CEO and Executives for the delivery of annual Group objectives and individual performance. Financial measures promote sustainable earnings growth and effective management of costs and capital, which provides a foundation for longer term returns. Non-financial measures drive positive customer, people and societal outcomes, with a significant emphasis on risk management.

LTI drives the focus of the CEO and Executives to make decisions and implement strategy that generate long-term shareholder value. Performance measures promote sustainable financial returns, positive customer outcomes and maintaining our reputation relative to competitors. There is no overlap with non-financial measures in the STI and LTI, with customer measures being absolute in the STI and relative in the LTI.