

Bendigo & Adelaide Bank Limited

# Corporate Governance Statement 2023



**Bendigo and  
Adelaide Bank**





## Acknowledgement of country

Bendigo and Adelaide Bank acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation and the Traditional Custodians of the land where we live, learn and work. We pay our respects to Elders past and present as it is their knowledge and experience that holds the key to the success of future generations.

# Overview of our corporate governance

## The Board of Bendigo and Adelaide Bank Limited is pleased to present its 2023 Corporate Governance Statement.

This Statement outlines the key corporate governance practices of Bendigo and Adelaide Bank Limited (**the Bank**) for the financial year ended 30 June 2023 (**FY23**). In addition, this Statement discloses the extent to which the Bank has complied with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th edition (**ASX Principles**).

The Bank adopted the ASX Principles for the whole of FY23.

This Statement is accurate and up to date at 11 September 2023 and has been approved by the Board.

Further information relating to the Bank's corporate governance practices and key governance documents can be found on the Corporate Governance section of our website at: [www.bendigoadelaide.com.au/esg/governance](https://www.bendigoadelaide.com.au/esg/governance)

In addition to this Statement, our company reports for FY23 include:

- Annual Financial Report
- Sustainability Report

These reports are available at:

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

We have set out the key structural elements of our corporate governance framework in this Statement by way of overview. The corporate governance framework applies across the Bank and its subsidiaries (**the Group**) and is underpinned by our corporate values.

## Board and Committee structure



## Our Values

Our values articulate what sets the Bank apart from other organisations and they establish the behaviours and actions of our people.

Our values are published at: <https://www.bendigoadelaide.com.au/about-us/our-values/>

Our Values					
<b>Teamwork</b> We are one team with one vision.  We work together, encourage diversity, and respect the unique contribution of everyone.	<b>Integrity</b> We build a culture of trust.  We are open, honest, and fair.	<b>Performance</b> We strive for sustainable success.  We seek and provide feedback and find a better way.	<b>Engagement</b> We listen, understand, and deliver.  We build our success through the success of others.	<b>Leadership</b> We all lead by example.  We show initiative, are accountable and empower others.	<b>Passion</b> We believe in what we do and are proud of our bank.

# Our Board

## Our Directors

Our Board comprised nine Directors in FY23, all of whom, apart from our Chief Executive Officer and Managing Director (**CEO and MD**), were non-executive and independent. Detailed information about each of our Directors is set out in the Directors' Report within the 2023 Annual Financial Report.

The Board assesses the independence of each Non-executive Director on an annual basis. Director independence is based on a Director being free from any business or other association (including those arising out of a substantial shareholding, involvement in past management or as a supplier, customer or adviser) that could materially interfere with the exercise of independent judgment.

For FY23, the Board assessed each Non-executive Director to be independent on the basis that they can continue to test and challenge Executives and Senior Managers constructively and to exercise independent judgment on matters presented for Board decision.

## The role of our Board

The Board is responsible for the effective oversight and prudent management of the Bank.

The Board has the following key responsibilities:

- **Vision, strategy, values, purpose, framework, and culture:** with Management setting the vision, strategy, values, and purpose and, in doing so, setting, and monitoring the corporate culture.
- **Customer voice:** oversight of customer feedback and insights.
- **People:** with assistance from the Board People, Culture and Transformation Committee, the appointment and performance monitoring of the CEO and MD, terms of employment and, succession planning for Executives, remuneration, diversity and workplace health and safety.
- **Strategy, business, operational, investment and financial plan:** reviewing and approving the strategic direction of the Group, approving significant corporate strategic initiatives, reviewing and approving the annual financial target and investment slate, overseeing the technology strategy, and approving regulatory financial disclosures.
- **Capital management, funding, and liquidity:** with assistance from the Board Financial Risk Committee, approving and overseeing the Bank's dividend policy and capital management plan, issue and cancellation of equity securities and Group Liquidity Risk Management Framework and Group Liquidity Risk Management Policy.
- **Risk:** considering recommendations of the Board Risk, Financial Risk and Audit Committees in relation to risk culture, risk management strategy and framework, risk appetite, and the effectiveness of risk management.
- **Environmental, Social and Governance:** with assistance from the Board Audit Committee, overseeing, considering, and approving the Group's Environmental, Social and Governance approach.
- **Continuous disclosure:** approving, on referral from the CEO and MD, the substance of any announcement of significance including a material profit upgrade or downgrade or material acquisition. Receiving from Management, copies of all material market announcements promptly after they have been made and approving the Continuous Disclosure Policy.
- **Financial reporting:** with assistance from the Board Audit Committee, reviewing and evaluating the performance and independence of the Group's External Auditor, overseeing the integrity of the Group's accounting and reporting systems and approving the regulatory financial disclosures for the Group, and receiving the declaration of the CEO and MD in accordance with section 295A of the *Corporations Act 2001 (Cth)*.

More information is contained in the [Board charter](https://www.bendigoadelaide.com.au/esg/governance/#charters) which is available at: <https://www.bendigoadelaide.com.au/esg/governance/#charters>

The Board has delegated management responsibilities to the CEO and MD. It has reserved certain responsibilities for the Board and Board Committees. These include corporate governance, specific responsibilities of the Board under the Board Charter, responsibilities delegated by the Board to a Board Committee, and responsibilities otherwise required to be exercised by the Board by the constitution, legislation or regulatory standards. The Board also reserves for itself, matters above specific delegation limits, including financial and risk limits. The Board may reserve any additional matter it decides, as advised to the CEO and MD.

## Our Board continued

### The role of our Board committees

The Board Committees assist the Board to carry out its responsibilities. In deciding Committee memberships, the Board endeavours to make the best use of the skills and expertise of the Directors and to share responsibility. Overlapping memberships and referrals between the Board Committees take into account where matters raised in one Committee may have implications for another. Committee membership is reviewed on an annual basis by the Board.

The Board receives the minutes of all Board Committee meetings and a verbal report from each Committee Chair on significant areas of discussion and key decisions. Each Committee has an annual meeting planner to schedule the items of business and reports required to be considered each year under the Committee charter.

Information on the number of Committee meetings held during the year, and attendance of committee members at those meetings, is presented in the Directors' Report in the Annual Financial Report. The Chairs and Members of each Board Committee at the date of this Statement are below:

Non-executive Directors	Audit	Financial Risk	People, Culture and Transformation	Risk
Jacqueline Hey	Member		Member	
Richard Deutsch	Chair	Member		
David Foster		Chair	Member	
Vicki Carter			Chair	Member
Victoria Weekes	Member			Chair
Jim Hazel		Member		Member
David Matthews	Member	Member		
Alistair Muir			Member	Member

The key functions of each Board Committee are set out below.

The Charter for each Committee is available at: <https://www.bendigoadelaide.com.au/esg/governance/#charters>

Each Committee is composed of at least three Members, all of whom are independent Directors, and an independent Chair.

### Audit Committee

The Audit Committee consists of four Members (including the Chair), all independent Directors. All Committee Members are financially literate and at least one Member must have, and has, strong financial expertise (as a qualified accountant or as a financial professional with experience of financial and accounting matters). The relevant qualifications and experience of each Committee Member is set out in our Directors' Report.

The Board Audit Committee assists the Board with:

- An objective review of the effectiveness and integrity of the Group's financial, non-financial and regulatory reporting requirements and related audit functions.
- External audit matters, including prudential audit requirements, and the review and assessment of the performance, and independence, of the External Auditor and terms of engagement.
- Group Internal Audit matters and oversight, and the review and assessment of the performance, adequacy and independence of Group Internal Audit.
- The integrity of statutory financial and prudential reporting, including financial reporting principles, policies, controls and procedures, and Basel III Pillar 3 Disclosures, including non-audited reporting.
- Environmental, Social and Governance (ESG) management and reporting controls.
- The objectives, scope, and outcomes of relevant prudential responsibilities.
- Monitoring the adequacy and effectiveness of the Group's risk management and internal control systems.
- BEN+ program deliverable outcomes oversight.

Other responsibilities include ensuring there are policies and processes in place for reporting employee concerns/whistleblower matters, overseeing assurance work in relation to organisational culture, monitoring tax compliance, monitoring ESG performance and reporting, and receiving reports in relation to the Outsourcing Policy and Business Continuity Plan.

## Our Board continued

### People, Culture and Transformation Committee

The People, Culture and Transformation Committee consists of four Members (including the Chair), all are independent Directors. The qualifications and experience of each Committee Member is set out in the Directors' Report.

The People, Culture and Transformation Committee assists the Board with:

- Oversight on Remuneration matters including the Remuneration Framework and Policy, remuneration risk, cash and equity-based incentive schemes and remuneration outcomes for roles specified under the Remuneration Policy.
- Undertaking delegated remuneration committee functions pursuant to Prudential Standard SPS 510 Governance.
- People and Culture matters including employee engagement, retention, wellbeing, development, reward, diversity, and workplace health and safety.
- Diversity and inclusion policies and measurable objectives.
- Providing governance and oversight of compliance with the Banking Executive Accountability Regime (**BEAR**) under Part IIAA of the *Banking Act 1959 (Cth)*.
- Board nomination matters including Board renewal, succession, induction and continuing professional development programs, performance, remuneration and Board skills matrix.
- Advising on the appointment, removal, remuneration and performance of the CEO and MD.
- Overseeing critical roles and succession planning for the CEO and MD and Executive Committee members.
- Reviewing and recommending governance developments, practices and the corporate governance statement and notice of the Annual General Meeting.
- Reviewing the transformation program reporting, reviewing, and approving technology, digital and data strategies, investments in transformation and receiving updates on technology-related regulatory developments.

### Financial Risk Committee

The Committee comprises four members (including the Chair) all independent directors. At least one member of the Committee must have, and has, credit expertise. The qualifications and experience of the Committee members are set out in the Directors' Report.

The Financial Risk Committee assists the Board with:

- Oversight of the Group's risk profile and its risk management framework in relation to financial risks.
- Monitoring the risk profile and performance of the credit portfolios including portfolio composition, risk concentrations, portfolio analytics, arrears performance, provisioning, non-performing loans, and loss performance.
- Monitoring compliance with capital, interest rate risk, traded-market risk and liquidity risk management policies, limits and tolerances and monitor the funding strategy, limits, and tolerances.

- Monitoring and making recommendations to the Board on Financial risk appetite and risk management frameworks, credit risk, interest rate risk, and traded market risk and liquidity risk.
- Considering and deciding the Internal Capital Adequacy Assessment Process (**ICAAP**), with significant changes to the ICAAP to be recommended to the full Board.
- Reviewing capital target ranges, overseeing capital management and monitoring levels for consistency with the risk appetite.
- Reviewing results of enterprise stress tests.
- Considering and endorsing for Board approval any declaration of a dividend at half and full year.

### Risk Committee

The Committee comprises four members (including the Chair), all independent directors. The qualifications and experience of the Committee members are set out in the Directors' Report.

The Risk Committee assists the Board with:

- Providing objective non-executive oversight of the Group's risk profile and risk management framework in relation to non-financial risks, including technology risk.
- Risk Culture of the Group, including monitoring to the extent to which it contributes to targeted risk management outcomes.
- Risk appetite and risk management frameworks, operational risk, group insurance program and Group litigation.
- Prudential Responsibilities such as Prudential Assurances and Reviews.
- Recommending to the Board changes to the Risk Appetite Methodology, the Risk Appetite Statement, and primary and secondary risk appetite settings relating to non-financial risks.
- Monitoring emerging trends and risks that may impact the risk profile along with relevant market, legislative and regulatory developments, and overseeing management's plans to manage these risks and developments.
- Considering the outcomes of reviews and testing of the Business Continuity Plan (**BCP**) and periodic audit assurance reviews of the BCP.
- Approving the Tax Risk Management Policy (**TRMF**) which forms part of the Group's Operational Risk Management Framework.



## Our Board continued

### Board composition - what we look for in our Directors

The individual attributes of each Director are as critical as the skills and experience that they bring. There is an expectation that each Director be able to demonstrate sound business judgment, a strategic view, integrity, a readiness to question, challenge and critique, and leadership qualities.

At a collective level, the diversity of thinking, skills, knowledge, experience, gender, and attributes enables the Board to provide the oversight needed to develop and achieve our strategy. In addition, experience through business and economic cycles developed from length of service on the Board is valued. This provides a deeper understanding of the industry including how political, regulatory, economic, and financial market developments may impact the business, as well as providing the benefit of corporate memory and know-how.

More generally, our Directors are expected to have a clear understanding of our strategy. The Board considers it has the appropriate mix of skills, knowledge and expertise and it regularly reviews these against the skills and experience needed to deliver the strategy.

An internal Board review conducted during FY23 confirmed that the Board collectively possesses an appropriate standard of expertise across all required skill matrix areas.

In addition to the above, a pre-requisite for our Directors is an attitude and approach that reflects our customer and community values, and the highest standards of ethics and integrity.



## Our Board continued

The desired skills, knowledge and experience in the current matrix include:

	Relevance to the Bank
<p><b>Executive leadership</b></p> <p>Successful career as a Senior Executive or CEO</p> <p>7 2</p>	<p>This experience brings a senior executive perspective of running a large organisation to board decision-making. This includes perspectives on organisational design and management including executive performance and provides an operational outlook on implementing our business plans and strategy.</p>
<p><b>Strategy and commercial acumen</b></p> <p>Extensive experience in the development of strategy and oversight of implementation, and experience in managing the business through periods of significant change</p> <p>8 1</p>	<p>This experience brings a longer-term perspective and a broader understanding of the business landscape and functioning of larger corporate enterprises. It also brings an ability to critically test, and challenge strategic priorities and business proposals presented by management.</p>
<p><b>Social and environmental</b></p> <p>An understanding of the potential risks and opportunities from an environmental and social perspective</p> <p>5 4</p>	<p>Being able to influence sustainable practices, policies and decisions across the Bank's network is important in enabling the Bank to meet its social responsibilities and targets set out in our climate strategy, and because it is good business practice for now and in the future.</p>
<p><b>Shareholders, Government &amp; other stakeholders</b></p> <p>Experience in building and maintaining trusted and collaborative relationships with shareholders, government, regulators and community partners</p> <p>5 4</p>	<p>Having a consistent, transparent, and effective engagement program with the Bank's shareholders, regulators, government, and other stakeholders is critical to the Bank's success.</p>
<p><b>Risk management</b></p> <p>In-depth, demonstrated, and senior high-level ability to anticipate, recognise and manage risks (including regulatory, financial and non-financial risks). Experience in embedding risk culture, risk management strategy and framework, and monitoring the effectiveness of controls</p> <p>7 2</p>	<p>Risk management is fundamental to how we operate our business and critical to our performance. How we manage risk ultimately impacts our capital efficiency and our profile with investors.</p>
<p><b>Corporate Governance</b></p> <p>Knowledge and experience in sophisticated governance structures and commitment to high standards of corporate governance</p> <p>9</p>	<p>A sound system of governance provides the foundation for the effective oversight of decision-making, actions, and behaviour to ensure we live our values, focus on our strategy and align with our purpose, as well as promoting investor confidence.</p>
<p><b>People, Culture &amp; Workplace Health &amp; Safety</b></p> <p>Strong, proven, and extensive experience in overseeing and assessing senior management, remuneration frameworks, workplace health and safety and strategic people management</p> <p>4 5</p>	<p>Healthy, satisfied and engaged people are a key foundation to our success. Our culture plays a vital role in attracting, motivating, and retaining high calibre people necessary to implement our purpose and strategy, and to contribute to our customers' and the organisation's success.</p>
<p><b>Technology, Digital &amp; innovation</b></p> <p>Expert and proven high-level experience in information technology systems, digital channels and information security or experience in technology governance of a significant business</p> <p>4 5</p>	<p>Our business is highly dependent on information technology. Innovation and disruption, particularly from new digital technologies, is transforming the way we operate and engage with customers. Our business must be able to evolve and adapt to the rapidly changing environment.</p>
<p><b>Banking &amp; financial Services</b></p> <p>Senior executive management experience in significant components of the banking and financial services industry such as retail banking, funds management, superannuation, financial advisory and treasury</p> <p>5 4</p>	<p>This experience is important to understanding and monitoring business performance, evaluating the achievement of business plans and assessing developments in our business models, distribution channels and product innovation.</p>
<p><b>Customer &amp; Community</b></p> <p>Experience in developing and overseeing the embedding of a strong customer-focused culture in large complex organisations, and a demonstrable commitment to achieving customer and community outcomes</p> <p>6 3</p>	<p>This experience involves an understanding of the changing needs of customers and the community, with a focus on improving financial wellbeing, enhancing every experience with the Bank, and meeting social expectations beyond financial metrics.</p>



## Our Board continued

### Board renewal

**The Board is committed to a process of orderly succession, aiming for a blend of diversity in geography, thinking, background, approach, and gender. Succession planning is an ongoing process, with the Board discussing succession planning for its members and the Chair regularly and robustly.**

The process to appoint a new Director is overseen by the Board Chair and the People, Culture and Transformation Committee. The Committee's responsibilities include recommending to the Board the procedure for the selection of new Directors, the proposed criteria for the selection of Board candidates with reference to the current mix of skills, knowledge, experience, and tenure on the Board, and identifying and nominating a short list of candidates to the Board. The Board may engage the services of a professional intermediary to assist in identifying and assessing potential candidates.

### Annual Assessment

Directors, Executives, and the External Auditor must meet annual fit and proper standards under our Responsible Persons Policy, which addresses the requirements of APRA's Prudential Standard CPS 520 Fit and Proper.

Directors, Executives, and the External Auditor are assessed before appointment, and then annually to make sure that they have the competence, character, diligence, experience, honesty, integrity, and judgment needed to properly perform their duties, as well as the education or technical qualifications, knowledge, and skills relevant to those duties.

This includes obtaining or reviewing background probity checks (ASIC, bankruptcy, police) periodically, and an individual fit and proper declaration by each Director, each Executive, and the External Auditor annually.

This annual assessment process is combined with the accountability regime under BEAR. Board members and Executives are all accountable persons under BEAR.

The accountability regime establishes accountability obligations for accountable persons, requiring each accountable person to:

- act with honesty and integrity, and with due skill, care and diligence;
- deal with APRA in an open, constructive, and cooperative way; and
- take reasonable steps in conducting responsibilities as an accountable person to prevent matters from arising that would adversely affect the Bank's prudential standing or prudential reputation.

An accountable person is required to be registered with APRA and it is our responsibility to assess whether an individual is suitable to be an accountable person. Each Director and each Executive has been assessed as being suitable to be an accountable person.

A Director appointed by the Board must seek election at the next annual general meeting of shareholders after appointment. For all elections, the Board considers the skills, knowledge, experience, and attributes necessary to deliver the strategy of the Group and the extent to which these are represented on the Board, the diversity of the Board and the statement provided by the Director seeking election that supports their election.

The notice of annual general meeting includes all information relevant to the decision by shareholders whether or not to elect or re-elect a Director. This includes relevant information obtained by the Bank as part of the fit and proper assessment, the accountable person process, a statement about the Director's independence and a statement about the Board's support for the Director's election or re-election.



## Our Board continued

### Appointment and equipping Directors to perform their role

Each Non-executive Director enters into a written agreement that covers the Director's role and responsibilities, time commitments, and ongoing education, performance, remuneration, disclosure of outside interests, independence, privacy, and confidentiality obligations. Arrangements for access to information, insurance, indemnity, and access to independent professional advice arrangements are contained in a Director's Deed.

Following appointment, each Director participates in an induction program to familiarise themselves with our business and strategy and to develop industry knowledge. The information provided includes information about our corporate governance framework, policies, organisational structures, and business activities. The induction program also involves one-on-one meetings with Executives, Senior Managers, and the External Auditor. There is also an induction program for each Committee that a Director joins.

There is a periodic review of the professional development activities needed for Directors to maintain their skills and knowledge to perform their role as Directors effectively. In addition to personal professional development training, Directors as a collective actively seek to enhance their knowledge of the Bank's operations, industry and market developments, and regulatory changes. This is enabled by the Board engaging with industry and regulatory leaders, participating in technical briefings, and undertaking regular deep-dive, free-form discussions with Executives and Senior Managers at Board meetings.

The Board is entitled to seek any information it requires from any Group employee or from any other source. The Board or a Committee can meet with Group employees and third parties and may request Group employees and third parties to attend Board or Board Committee meetings with or without the presence of management.

The Head of Group Internal Audit has a direct reporting line to the Audit Committee and an administrative reporting line to the CEO and MD. The Head of Group Internal Audit may request to meet with the Audit Committee and has a standing invitation to attend all Audit Committee meetings. The Audit Committee meets with the Head of Group Internal Audit without management present at least three times a year.

Senior Managers, the Chief Financial Officer and the Head of Group Operational Risk may request to meet with the Audit Committee.

The Chief Risk Officer has a standing invitation to attend all Risk Committee and Financial Risk Committee meetings and may request to meet with either Committee. The Chief Risk Officer also has an invitation to attend the People, Culture and Transformation Committee meeting that considers the remuneration of those persons as required under the Remuneration Policy.

The Chief People Officer and the Chief Transformation Officer may request to meet with the People, Culture and Transformation Committee about work health and safety and remuneration considerations as required under the Remuneration Policy and has a standing invitation to attend all People, Culture and Transformation Committee meetings.

The External Auditor may request to meet with the Audit Committee and has a standing invitation to attend all Audit Committee, Finance Risk Committee and Risk Committee meetings. The External Auditor may also request to meet with the Board and the Chair of the Audit Committee. The Audit Committee meets with the External Auditor without Management at least three times per year.

A Committee may consult with a professional adviser or expert at the cost of the Bank if the Committee considers it necessary to carry out its responsibilities. A Director may obtain independent professional advice at the Bank's expense after first getting the approval of the Chair (or if the Chair refuses to give the approval, the Board). The Chair of the Board must first obtain the approval of the Chair of the Board Audit Committee.

The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The appointment and removal of the Company Secretary is determined by the Board. Details of the Company Secretary are set out in the Group's 2023 Directors' Report.

### Performance Assessments

The Board reviews its performance, the performance of each Director and the performance of each Committee every year.

From time to time, this process is led by an external consultant, with assistance from internal and external auditors and in those years when a consultant is not engaged, the Chair with the assistance of the Company Secretary leads the assessment of the Board, each Director, and each Committee. When an external consultant is engaged, the process is similar but may also involve discussions with Executive Committee members.

After external Board reviews in FY21 and FY22, the process for the Board and Director performance assessment in FY23 was an internal assessment which involved the completion of questionnaires and meetings between individual Directors and the Chair.

The process for the Committee performance assessment in FY23 involved questionnaires and the Chair of each Committee leading a review of the performance of its committee and a general discussion of the assessment results with the Committee to reach agreed outcomes for FY24. A discussion of the process and outcomes for each Board Committee occurred at the June 2023 Board meeting. Each Committee had assessed its performance in FY23 and the outcomes were reported to the Board, with action items identified for each Committee to meet within the next 12 months.



# Respecting our shareholders and investors

We are committed to providing shareholders with appropriate information to enable them to exercise their rights effectively. We are also committed to making sure shareholders and the investment community have appropriate and timely information to make investment decisions.

The ways in which we do this include:

- Announcements to the Australian Securities Exchange (**ASX**) – our announcements are made in accordance with ASX Listing Rule requirements, our [Continuous Disclosure Policy](#) and [Communications Policy](#).
- The [Investor Centre](#) - this provides a central point for shareholders to access information including ASX announcements, media releases, the corporate calendar, investor presentations, reports and information about dividend history and the annual general meeting.
- Our annual general meeting - shareholders are invited to attend and participate in our annual general meeting each year and in October 2023 can do so virtually or in person in Bendigo.
- Our investor relations team - our team is committed to engagement with the investment community, telling our story and communicating our strategy on a regular basis.
- Our Annual Report, Sustainability Report, financial and statutory reporting (i.e., half-year results and Basel III Pillar 3 capital disclosures), trading and shareholder updates and this Statement.

## ASX Announcements

The Bank has continuous disclosure obligations under the ASX Listing Rules. This requires disclosure to ASX immediately (subject to some exceptions) of market sensitive information before anyone else to make sure that all investors have equal and timely access to material information.

Our Continuous Disclosure Policy explains how we manage market sensitive information to comply with this obligation and includes our disclosure protocols. Decisions about disclosure are made by the CEO and MD, and in some cases the Board. Directors are given a copy of any material disclosure notices as soon as possible after an announcement is released to the market.

The Company Secretary is responsible for coordinating communications with the ASX and for having systems in place to ensure that information is not released to external parties until confirmation of lodgement is received from ASX.

Our Communications Policy provides clear authorities and protocols for communications with investors, ASX, regulatory authorities, the media and other key stakeholders. It is designed to ensure that information flows are controlled, and to reduce the likelihood of inadvertent disclosure outside the continuous disclosure reporting regime. Our Communications Policy is available from our website.





## Respecting our shareholders and investors continued

### Shareholders

Shareholders can access information about their own shareholdings including transaction and dividend payment history and taxation information through the share registry portal which is accessible through the Bank's [Investor Centre](#). Answers to frequently asked questions for Shareholders are accessible through this website link [Shareholder FAQ here](#).

Shareholders can request to receive documents electronically or in hard copy, including dividend statements, shareholder reviews, annual reports, notices of meetings and shareholder question forms.

Consistent with our efforts to reduce our carbon and environmental footprint, the Bank encourages Shareholders to elect to receive Bank communications electronically. This reduces paper, the carbon footprint associated with postage, printing, and mailing costs, and gives shareholders faster and more secure access to their information.

To encourage Shareholder attendance and participation at our Annual General Meeting, the Bank's October 2023 Annual General Meeting of Shareholders will be held as a hybrid meeting, with an opportunity to attend and vote at the meeting in person, or virtually.

The Annual General Meeting provides an opportunity for Shareholders to engage with us, and we strongly encourage this. Shareholders can ask questions before the meeting. At the meeting, Shareholders will have a reasonable opportunity, as a group, to ask questions about or make comments on the management of the Bank or the business of the meeting.

Shareholders are also invited to submit written questions directed to the External Auditor about the content of the auditor's report and the conduct of the audit of the annual financial report. These questions are given to the External Auditor and a reasonable opportunity is provided at the meeting for the auditor or their representative to respond. A suitably qualified representative of the audit team attends the meeting to answer questions about the audit.

Details on how to vote and ask questions are set out in the notice of the Annual General Meeting. Voting is conducted by poll on all resolutions.

### Investment community

We are committed to engagement with the investment community, telling our story and communicating our strategy.

We have an investor relations program to facilitate an effective two-way communication with the investment community to provide a better understanding of the Bank's financial and non-financial performance. The Bank engages with institutional investors, private investors, brokers, analysts, and rating agencies. Our Investor Relations team co-ordinates roadshows for the half-year and full-year result announcements and other investor meetings as required. In accordance with our [Continuous Disclosure Policy](#), presentation materials are provided to the ASX ahead of substantive presentations to investors and analysts. The most recent investor presentations are accessible on our website at <https://www.bendigoadelaide.com.au/investor-centre/financial-results/>

Under our [Continuous Disclosure Policy](#) and [Communications Policy](#), restrictions apply to ensure market sensitive information is not disclosed before it is given to ASX. The employees who are authorised to speak with institutional investors, brokers, analysts, and rating agencies is limited.

Parameters for discussions about results are set by the CEO and MD. There are restrictions on discussions in the pre-results period from 15 June and 15 December respectively. During the pre-results period, those authorised to comment on analysts' financial projections are limited to the CEO and MD, the Chief Financial Officer, and the Head of Investor Relations and ESG. Comments must be confined to errors in information, computations, and underlying assumptions.

# Integrity of corporate financial reporting

The integrity of financial reporting to shareholders is controlled by:

- Board oversight and responsibility
- A Declaration from the CEO and MD and the Chief Financial Officer
- Oversight by the Audit Committee
- Independent External Auditor

## Board

The Directors are responsible for assessing whether the financial statements and notes are in accordance with the Corporations Act, that they comply with accounting standards and give a true and fair view of the financial position and performance of the Group.

A Directors' declaration to this effect is included in the annual and half-year financial reports.

## Audit Committee

The Audit Committee responsibilities include the following:

- Reviewing the half-year and full-year statutory financial reports for recommendation to the Board.
- Reviewing significant accounting estimates and judgements used for the preparation of the financial reports.
- Reviewing and approving any new or proposed changes in Group accounting policies.
- Monitoring developments in statutory reporting and accounting and disclosure requirements.
- Reviewing the effectiveness of the Group's internal control and risk management framework.

## Declarations

A declaration process, supported by due diligence and verification, is undertaken across the Group for the annual and half-year financial statements.

The Directors' declaration is only made after receipt of declarations by the CEO and MD and Chief Financial Officer, which confirm that:

- The financial records of the Bank have been properly maintained in accordance with the Corporations Act.
- In their opinion, the financial statements and notes comply with applicable accounting standards and give a true and fair view of the financial position and performance of the Bank.
- Their opinions have been formed based on a sound system of risk management and internal control, and this is operating effectively in all material respects.

The declarations made by the CEO and MD and the Chief Financial Officer are reviewed each reporting period by the Audit Committee, Risk Committee and Financial Risk Committee. The declarations are made on the basis that they provide a reasonable, but not an absolute, level of assurance and do not imply a guarantee against adverse events or circumstances that may arise in future periods.

The process is intended to provide assurance that the Group has identified material business risks associated with its activities and implemented appropriate risk management policies, frameworks, systems, and procedures to manage those risks.

Each Executive and relevant Senior Manager provides a risk management declaration, with support from their relevant line manager, as to whether there are any known risk matters that could materially impact either the operations of the Group or the integrity of the statutory financial reports.

## External Auditor

The audit or review by the External Auditor provides a further level of assurance of the integrity of the financial statements. The Audit Committee oversees the external audit function. This includes reviewing and approving the external audit plan and assessing the performance of the External Auditor.

The independence of the External Auditor is important to the integrity of the audit function and the Corporations Act sets out independence requirements. The Audit Committee is responsible for maintaining a policy dealing with auditor independence and monitoring compliance with that policy. The [External Audit Independence Policy](#) is available from our website.

Key elements of the policy include the appointment of the External Auditor and ongoing independence requirements such as restrictions on non-audit services, restrictions on certain relationships with the Group and the requirement for rotation of the audit partner. It also includes the requirement for the auditor to give annual and half-year independence declarations to Directors.

The approval of the Audit Committee Chair is required before the External Auditor is engaged to provide non-audit services.

This enables the Audit Committee to assess whether there may be an impact on auditor independence.

The Audit Committee gives an annual and half-year statement to the Board as to whether the Audit Committee is satisfied that the independence of the external audit function has been maintained having regard to the provision of non-audit services. The annual Directors' Report includes information about any non-audit services provided and whether the Directors are satisfied that the provision of non-audit services is compatible with the independence of the auditor and the reason for being satisfied.

Periodic corporate reports that are not audited are verified internally by the Chief Financial Officer and/or the Chief Risk Officer. The Board Audit Committee reviews the process undertaken to verify the integrity of any such reporting.

# Our people

## We put our people first, so our people can put our customers first.

Our people are skilled, resilient, and capable of great things. The Bank aims to provide a positive employee experience and with this focus comes many opportunities to make a difference. We know that when our people feel engaged and supported to be their best, a positive experience for our customers will follow.

We are committed to investing in our people, recognising them for great outcomes, and creating a community where everyone can thrive. Community lives inside and outside the Bank. We believe in teamwork and trust, everyone working towards shared goals and building a sense of pride in making real difference in communities across Australia.

We want our people to feel connected and engaged because we care about them. And we celebrate what is common and different, so we can all be ourselves.

When our people know how to contribute, feel valued and belong, and our leaders are confident and capable, then our customers will get the best service. Our people make our workplace great. They care about our customers, the Bank, our shareholders, our communities, and each other.

The Bank seeks to promote a strong culture that is aligned to our culture aspirations. This includes a strong focus on risk. Our ongoing cultural evolution is designed to help deliver on our Group strategy and achieve key outcomes such as strong risk management, customer focus and conduct in the Bank.

We continue to focus on ensuring our people are supported to manage their work and personal commitments through an ever-changing landscape. We know that offering flexible work policies that enable choice and support the delivery of significant benefits to both individuals and organisational outcomes makes good business sense.

Having a diverse and inclusive workforce is important to us as we want the Bank to reflect the rich diversity of the communities we live in, work with and support. Diversity of experience, mindset and background inspire our best ideas, help us challenge the status quo and identify better ways of working. Our culture of collaboration and inclusion extends outside our team to our stakeholders, including our partners, customers, and communities, and in a dynamic operating environment, our diversity will make a difference.

With our sights set on being Australia's bank of choice, we are doing critical work that will set up our business for success and improve the experience for everyone we look after. This includes work that is focused on making our people's experience better and organising ourselves to work together more effectively.

Please refer to the Bank's 2023 Sustainability Report for further information.





## Our people continued

### Respect for People

Workplace policies play an important role in defining, reinforcing, and clarifying what we expect of our people when at work. The Group's 'people' policies, standards, guidelines, and procedures form part of our responsibilities as an employer.

In 2023 we continued to embed the understanding of the obligations and expected behaviours in our workplace which are outlined in the following policy documents:

- Discrimination and Harassment Policy.
- Bullying in the Workplace Policy.
- Complaints Procedure for Employees.
- Disciplinary Procedure.

These policies uphold our commitment to providing a safe and respectful working environment for everyone who works in the Group. They also make clear the expected behaviour and the role our people have in contributing to a workplace culture that is respectful, productive and safe.

We have made it easier for our people to speak up, by explaining the avenues available to them when observing or experiencing workplace discrimination, harassment or bullying. In addition, we have strongly reinforced that those who speak up will be protected from victimisation.

Alcohol or drug use can impact a person's ability to perform their work respectfully and safely which can pose a risk to their own and others' wellbeing. This is why we have introduced a Drug and Alcohol Policy which sets out the Bank's responsibilities as an organisation and details the expectations of our people. The objectives of the policy are to:

- Emphasise both the Group and our employees' duty of care to ensure health and safety in the workplace.
- Make clear, that where alcohol is served at work related functions our people, if choosing to drink, must be responsible in their alcohol consumption.
- Encourage our people to take care of each other and be respectful when attending work related functions and social events where alcohol is served.
- Explain the consequences of behaving inappropriately and that being impaired by alcohol or drugs will not be accepted as an excuse for engaging in inappropriate behaviour.

### Our Code of Conduct

Our Code of Conduct (**Code**) sets the expectations for all our employees, Executives and Board members to make conduct decisions that are lawful, ethical and respectful, in order to deliver fair outcomes for customers, colleagues, partners and stakeholders.

The Code provides clear guidance to our people of their responsibility to demonstrate high standards of corporate and individual behaviour when conducting the business of the Group. It provides a framework for how our people can apply good judgement by thinking before acting, applying Group policies and procedures, considering the consequences of their decisions and, speaking up when needing help.

### Respect for People

Our Code reinforces the obligation and responsibility of our people to engage in respectful behaviour, demonstrate our values and apply policies to achieve the following positive outcomes:

- A sense of belonging for our people and customers by demonstrating inclusive behaviour and, by being encouraging and respectful of diversity of thought.
- A safe and healthy workplace by making business decisions and behaving in a way that does not compromise individual health and safety or that of our colleagues, customers, and others.

A workplace free from bullying, discrimination, and harassment by taking responsibility for treating colleagues and customers lawfully and, with dignity, courtesy, and respect. Whether working in the office, offsite or using technology, decisions and interactions with colleagues and customers are always expected to be respectful and free from unlawful discrimination and harassment, including sexual harassment.

Our Code also provides information and guidance in respect to:

### Modern slavery

The Bank publishes an annual Modern Slavery Statement pursuant to the Modern Slavery Act 2018 (*Cth*). The Modern Slavery Statement outlines the steps we have taken to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chains.

The Bank has implemented a Supplier Code of Conduct to manage risks with material supplier relationships. Modern slavery is also considered as part of our employee policy framework and relevant risk management practices and processes are applicable to the Bank's customer and third-party relationships.

The Bank's Modern Slavery Statement can be found on our website [here](#).

## Our people continued

### Conflicts of interest

The Conflicts of Interest Policy sets out the approach to follow to ensure the Group complies with its regulatory obligations and other related Group policies when dealing with conflicts of interest. It also provides guidance to our people to identify and effectively manage and monitor any actual, perceived, or potential conflicts which may arise.

### Whistleblower program

The Whistleblower Policy supports a culture of integrity and ethical behaviour and sets out a clear process and the protections available for those who want to raise a concern regarding suspected misconduct (Reportable Conduct). This could include concerns related to unethical behaviour, criminal activity, a failure to comply with a legal or regulatory obligation, or a significant breach of the Code or other Group policy. It is supported by dedicated intranet pages which provide our employees with information on why it is so important to raise concerns, links to our externally managed anonymous concerns reporting service and answers to frequently asked questions.

### Securities Trading Policy

Our Securities Trading Policy imposes restrictions on trading in the Bank's securities by Directors and employees who are in possession of inside information. In addition, a blackout period on trading is imposed on Directors, Executives and other designated employees starting on 15 December for the half year results, and 15 June for the full year results and ending on the next business day after each respective results announcement. The Board may also impose additional restrictions.

### Anti-bribery and corruption

Our Anti Bribery and Corruption Policy demonstrates a strong standard of integrity, ethics and conduct within the Group and our people support this policy by complying with relevant Anti-Bribery and Corruption legislation.

Our people will not directly or indirectly give, offer or request a bribe and will not engage in corruption.

Additionally, our people will not accept directly or indirectly a benefit (monetary or otherwise) given, offered, authorised, accepted or requested as an inducement for action which is illegal, unethical or a breach of trust. Our people will not accept secret commissions (monetary or otherwise) from a third party, in return for agreeing to depart from our internal policies and procedures or legal obligations. Political donations may give rise to perceptions of cash for influence. Employees, Directors or third parties acting on behalf of the Group will not make any political donations on behalf of the Group.

### Reporting and administration

Reporting and analysis on any de-identified whistleblower data, breaches of the Code and incidents related to bribery or corruption, workplace bullying, discrimination and harassment is undertaken regularly to identify trends. This reporting is regularly tabled for discussion at Board and Board Committee meetings.

The Code is periodically reviewed and annually our people undertake Code of Conduct Awareness Learning.

The Code of Conduct, Whistleblower Policy, Trading Policy and Anti-Bribery and Corruption Policy are all available on our website.

## Remuneration

Our approach to remuneration is balanced and focused on the creation of long-term value.

The view of the Board is that remuneration which is leveraged towards short-term performance can create a disconnect between an individual's interests and the long-term interests of shareholders, stakeholders, and customers. Therefore, our executive remuneration approach appropriately balances fixed remuneration and equity that vests over the longer term.

Our remuneration philosophy has been based on the following principles:

- **Strategy led reward** - The reward framework supports the delivery of our strategy through the attraction, motivation, and retention of talented people.
- **Reward balanced outcomes** - The reward framework aligns outcomes with a range of stakeholders – including shareholders, customer, community, regulators, people, and planet.
- **Recognise people for their impact** - BEN's performance is the sum of its parts, and when its people make a meaningful impact, this is recognised. Likewise, when standards fall short or individuals' actions do not align with BEN's values, there are appropriate consequences.
- **Transparent and simple metrics** - People understand the organisational and individual objectives they are expected to achieve and (as much as possible) how performance is tracked against those targets.
- **Embedded risk management** - Remuneration arrangements encourage prudent risk taking that supports the achievement of superior long-term results for shareholders and customers by supporting BEN's risk management framework.

The executive remuneration framework clearly aligns executive reward with the Bank's performance and outcomes for key stakeholders. There are strengthened linkages between Board Committees when considering remuneration outcomes to make sure all risks associated with the business, including non-financial risks, are considered when determining remuneration outcomes. As well, we have continued to embed risk and compliance outcomes explicitly in Executive performance assessment and remuneration.

The remuneration and other terms of employment for Executives and Non-executive Directors are contained in formal written agreements. Further details in relation to remuneration are set out in the Remuneration Report which forms part of the FY23 Annual Report.

## Our people continued

### CEO and MD and Executive Performance

The CEO and MD's and Executives' performance is assessed after year end by the Board and such an assessment was made in July and August 2023 in respect of their respective performance in FY23.

The Board Chair and all Non-executive Directors provide input on the CEO and MD's performance, and the CEO and MD provides an assessment of the other Executives. The assessment considers the Executives' contribution to the Bank's performance, including the impact on customers and community, people and planet, and financial outcomes. In addition, performance against risk objectives is reviewed.

To support this, the Chief Risk Officer provides a report containing risk scorecards for each Executive for a Joint Committee comprising the Board Chair, and each Chair of the Board Committees to consider. This assessment was undertaken in August 2023.

The Joint Committee can use discretion to determine recommendations to the Board for any upward or downward adjustment to equity outcomes.

This approach was chosen to enable unforeseen developments to be factored into the assessment and ensure any necessary risk and compliance adjustments occur at the Board's discretion.

The Board may also adjust the number of equity instruments that vest to consider any unforeseen or unexpected circumstances and risk developments. The Board has absolute discretion to adjust variable remuneration to reflect:

- The outcomes of business activities.
- The risks related to the business activities considering, where relevant, the cost of the associated capital.
- The time necessary for the outcome of those business activities to be reliably measured.
- Any provision outlined in the Clawback and Malus Policy.

This includes adjusting performance-based components of remuneration downwards, to zero if appropriate. On an annual basis the People, Culture and Transformation Committee review the appropriateness of releasing deferred equity components taking into account the Group's performance outlook, risk profile and any other matter that might impact the reputation or financial soundness of the Group.

The Remuneration Policy mandates that Executives, and their closely related parties, may not enter a transaction designed to remove the at-risk element of equity-based pay before it has vested, or while it is subject to a trading restriction.

The Bank treats compliance with the requirement as important and at the end of each year requires the individuals to confirm they have complied with the restriction. If the restriction is breached the individual will forfeit all equity-based remuneration that is subject to the prohibition at the time of the breach. Our [Securities Trading Policy](#) also prohibits key management personnel and other Executives from using the Bank's securities as collateral in any margin loan arrangements.

The Bank has a minimum shareholding policy for executives and Non-executive Directors. This further strengthens alignment with long-term shareholder interests.

With respect to the remuneration of Non-executive Directors, there is no direct link between Non-executive Director fees and the annual results of the Group.

Non-executive Directors do not receive bonuses or incentive payments, nor receive equity-based pay. However, Non-executive Directors can elect to receive a portion of their fees in shares. Shareholders have previously approved an aggregate fee pool for Non-executive Directors which covers payments (including superannuation) for the Board members and payments to the Bank's Non-executive Directors appointed to subsidiary boards and the Community Bank National Council.

The People, Culture and Transformation Committee recommends to the Board the remuneration arrangements for Non-executive Directors. The fees are reviewed and set annually by the Committee and the following is considered:

- The scope of responsibilities of Non-executive Directors and time commitments. This includes consideration of significant changes to the Group's operations and industry developments which impact workloads and responsibilities at the Board and Committee level.
- Fees paid by peer companies and companies of similar market capitalisation and complexity, including survey data and peer analysis to understand the level of Director fees paid in the market, particularly in the banking and finance sector.

Non-executive Directors receive a base fee with additional fees for Committee Members and Chairs. In relation to the superannuation contributions, Non-executive Directors can elect to receive amounts above the maximum contributions limit as cash. The Board Chair receives a higher base fee in recognition of the additional time commitment and responsibilities of that role. Additional fees were paid to a Non-executive Director appointed to the Community Bank National Council.



# Diversity and Inclusion

At Bendigo and Adelaide Bank, we believe that everyone deserves to feel included and valued. It is our diversity of experience, thinking, mindset and background that inspires our best ideas, helps us challenge the status quo and identify better ways of working.

We remain committed to:

- Cultivating a culture of inclusion where our employees' individual uniqueness is valued and respected.
- Empowering employees to participate in decision-making processes and operations in a safe and supportive work environment.
- Creating fair and equitable access in all phases of the employee lifecycle.
- Continuing to comply with legal and regulatory obligations regarding diversity and inclusion.

Our [Diversity and Inclusion Policy](#) supports the organisation to bring this to life by outlining the Bank's commitment to creating a workplace where everyone belongs.

## Belonging at BEN FY23-25 Strategy

In August 2022 the Bendigo and Adelaide Bank Board endorsed the Bank's new Diversity and Inclusion Strategy – Belonging at BEN FY23-25 (**Belonging at BEN Strategy**).

The Belong at BEN Strategy is aligned to the Group Strategy and is a key enabler of the People and Culture Strategy. It consists of six pillars that will propel the Group's commitment to inclusion, five priority diversity dimensions and three measurable objectives.

The Belonging at BEN Strategy not only focuses on diversity and inclusion for our people, but also includes a commitment to inclusive practices for customers, community, and stakeholders.

Through a focus on diversity and inclusion, we are creating positive change by:

- anticipating and adjusting to changing community sentiment;
- meeting stakeholder expectations, including investors; and
- attracting and retaining great employees.

## We've developed a three year Belonging at BEN strategy.

Belonging at BEN is our focus on building an inclusive workplace for our people, an inclusive and welcoming bank of choice for our customers and partners, and meets stakeholder and societal expectations.

Belonging at BEN consists of:

- Six strategic pillars.
- Five priority dimensions.
- Three Measurable objectives.

Underpinned by our new Diversity & Inclusion Policy.

## Belonging at BEN Strategy



## Diversity and Inclusion continued

### Progress against the Belonging at BEN Strategy

In its first year of implementation, the Belonging at BEN Strategy has focused on building on the foundations from previous strategies to further align with the Group Strategy. It continues to focus on strengthening inclusion within the Bank and within the community. We are passionate about making meaningful and sustainable change through our Belonging at BEN Strategy. An important part of this is having a strong governance process in place and, where appropriate, targets to measure and track progress against our commitments.

Highlights from this year include:

#### Workforce Diversity

**Demographic Survey:** The first in-house demographic survey was implemented in November 2022. The survey was designed to measure and understand the diversity of our workforce, establish a baseline to measure our progress over time on workplace diversity and compare findings to national benchmarks.

**Recruitable:** In 2022 we announced the Bank's participation in the Federal Government funded pilot program - Recruitable. As part of this program, several education sessions were held with key senior decision makers, including Senior Leaders, Recruitment, Work Health and Safety and Hiring Managers as well as undertaking a review of recruitment practices.

**Aboriginal and Torres Strait Islander representation:** We're committed to increasing work opportunities that are culturally inclusive of Aboriginal and Torres Strait Islander peoples. Our most recent demographic survey shows that we currently have 40<sup>1</sup> employees self-identifying as Aboriginal and/or Torres Strait Islander. A focus of our Reconciliation Action Plan is to improve employment outcomes by increasing Aboriginal and Torres Strait Islander recruitment, retention, and professional development.

#### Leadership Capability and Commitment

**Executive Champions:** Several of our Executive team have stepped forward to actively champion priority dimensions of the Belonging at BEN Strategy. Each Executive plays an active role in the championing, education, awareness, and change required in their priority dimension.

**Cultural Immersion Experience:** The Bank's Executive and Board committees participated in separate cultural immersion experiences hosted by Dja Dja Wurrung and Kurna people. These meaningful experiences provided everyone the opportunity to deepen understanding and appreciation of Aboriginal culture, history, and traditions. Participation in the experience left a lasting impact on the importance of the work ahead in the Reconciliation Action Plan and work is underway to extend cultural awareness learning and experiences to more employees across the organisation.

### Inclusive Workplace & Culture

**Australian Workplace Equality Index:** In June, the Bank achieved Bronze Tier status through the Australian Workplace Equality Index (AWEI), an initiative by Pride in Diversity. This award is the culmination of more than a year of work from the BEN Pride Committee, our Diversity and Inclusion team and our Pride Network across the Group and marks the first year the Bank has been recognised with bronze status. The recognition is testament to the Bank's ongoing commitment to workplace diversity and inclusion for our LGBTIQ+<sup>2</sup> employees and their allies.

**Employee network groups:** Our Employee Networks play an important role in building a culture where employees – no matter who they are or how they identify – are safe, well-supported, connected and empowered to be themselves. In FY23, Mob@BEN was introduced for our Aboriginal and Torres Strait Islander employees and a dedicated cultural inclusion network will be introduced in FY24. These networks join our other well-established networks, including BEN Pride – our network for LGBTIQ+ employees and their allies, BEN Ability – our access and inclusion network and Women in Business – our forum dedicated to driving gender equality.

**Inclusive introductions:** At BEN we perform an Acknowledgement of Country at significant meetings or events to uphold Aboriginal and Torres Strait Islander cultural protocols. It creates an environment that welcomes our Aboriginal and Torres Strait Islander colleagues. Presenters are also encouraged to advise their pronouns and provide a visual description of their environment for people who are blind, have low vision, or dialling into a meeting with no camera, and those with cognitive limitations. Inclusive introduction protocols are utilised for both internal and external events and/or meetings.

1. Results are from the 2022 BEN Demographic Survey in which all employees were invited to participate. The survey received 3082 responses in total.

2. Lesbian, gay, bisexual, transgender, intersex, queer/questioning and all other gender and sexual orientations.

## Diversity and Inclusion continued

### Customers

**Acknowledging Traditional Owners:** As a show of respect for the Traditional Owners of the land that we live and work on, all Bendigo and Adelaide branches proudly display an Acknowledgement of Country decal. This small but important step is a visual display that recognises Aboriginal and Torres Strait Islander Peoples as the traditional owners of the land that we live, learn and work.

**Welcoming LGBTIQ+ customers:** Branches now proudly display 'welcome' decals to let everyone know that LGBTIQ+ diversity is welcomed and celebrated within branches. Pride Tees are now available to all employees, including in the Bank's Retail space so that employees can show allyship for the Bank and its customers' LGBTIQ+ community.

**Inclusive usability testing:** The Bank engaged Vision Australia to conduct usability testing on the Bank's new e-banking security experience prior to the service roll out. The user testing included people with vision impairment, people living with cognitive and learning disabilities, and people with physical and motor disabilities. Ensuring our digital services are accessible is essential and feedback received from this testing will be built into the delivery process for all Bendigo e-banking customers.

**Celebrating days of significance:** Many of our branches participate in celebrating days of significance for their local communities, including Wear It Purple, Harmony Week, Eid, NAIDOC Week, and International Day of People with Disability. Celebrating days of significance helps our branch staff to engage in inclusive conversations with their customers and their local communities.

### Community

**Bendigo Pride Festival:** In FY23, the Bank became the proud Rainbow sponsor of the Bendigo Pride Festival. Supporting the arts and culture festival that highlights the diversity of the Greater Bendigo region aligns to the Bank's regional roots. Bendigo and Adelaide Bank have been a proud platinum sponsor of the festival since 2020, before becoming the Rainbow Sponsor.

**Reflect Reconciliation Action Plan:** On Thursday 27 April 2023 on the land of the Dja Dja Wurrung People, the Bank launched its first Reflect Reconciliation Action Plan. This plan is the first step in our Reconciliation journey. You can view the full [Reconciliation Action Plan on our corporate site](#).

**A Yarn with our Elders:** During NAIDOC Week, the Bank launched a podcast series titled 'A Yarn with our Elders'. The short series hosted by Simone Sexton, Bendigo Bank's Diversity & Inclusion Specialist, and proud Mununjali woman, features conversations with a number of truly inspired First Nations storytellers with profound knowledge on family, country and reconciliation and is available on the Bank's website [A yarn with our Elders podcast \(bendigobank.com.au\)](#)

### Governance & Progress

**Access and Inclusion Index:** The Access and Inclusion Index, administered by the Australian Network on Disability, is a comprehensive tool to access accessibility across 10 key areas. Results from the latest Index indicate the Bank has increased its maturity on accessibility inclusion, with the Bank coming 13th out of the 33 participating organisations for 2022. This will be used as the basis to develop the new Access and Inclusion Plan with an expected launch of late 2023.

**Workplace Gender Equality:** In accordance with the requirements of the Workplace Gender Equality Act 2012 (Act), on 30 May 2023, Bendigo and Adelaide Bank lodged its annual public report with the Workplace Gender Equality Agency (Agency). The report can be accessed on the Bank's Corporate Governance page at <https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/governance/workplace-gender-equality-report.pdf>.

**HESTA 40:40 Vision:** In 2022, the Bank became a signatory to the HESTA 40:40 Vision. By signing up to the 40:40 Vision, BEN has pledged to achieve gender balance of 40 per cent identifying as women, 40 per cent identifying as men and 20 per cent as any gender in the Executive by 2030. As part of this Pledge, the Bank has set the following interim targets with a focus on building a strong female pipeline for Executive roles:

- **2024 Target:** 50% female representation in the Senior Leader Talent Development Cohort.
- **2027 Target:** 50% female representation on the Critical Role Register (Ready now and Future Ready)<sup>1</sup>

1. Acknowledging the limited number of critical roles identified, the Bank aims to achieve the above target for at least 80% of roles.



# Progress against Measurable Objectives – ASX Recommendation 1.5

In 2022, the Board approved three new Measurable Objectives to measure the progress of the Strategy. These extend beyond gender to include workforce representation and inclusion. Furthermore, Gender Diversity has been set as a KPI for all Senior Leaders.

In the last 12 months:

- there has been strong growth in female representation across most leadership levels across the Bank and the Board, with the Executive being the exception. Growth has been driven by divisional focus and increased transparency in reporting gender metrics.
- the first Demographic survey was delivered, enabling the Bank to establish a baseline for workforce representation across identified demographic groups. Workforce representation data across key identified groups has been shared with all employees, including the Bank's employee network groups, who will use the data to help measure success.
- Inclusion was measured through the staff engagement survey, SPARK and with a score of 83 percent, it continues to be a strength of the organisation and a key driver of employee engagement.

**Table 1: Measurable Objectives FY23 outcome**

Focus	External Measurable Objective		FY22 Actual (Female %)	FY23 Actual (Female %)
Gender	Gender diversity (determined as 40:40:20) at every level of the organisation by FY25	Board	50% <sup>1</sup>	44.4% <sup>2</sup>
		Executive (KMP)	16.7%	14%
		Other Executive / General Managers	33.7%	37%
		Senior Leaders	38.2%	42%
		All Senior Leaders (Other Executive / General Managers / Senior Leaders)	37.4%	41%
		Middle & Frontline Leaders (Other Leaders)	52.6%	55%
		All Leaders (includes Executive, Other Exec/General Managers, Senior Leaders and Middle & Frontline Leaders)	46.1%	49%
		All Employees (excluding leaders) (Professional, Sales, Clerical & Admin)	63.7%	63%
		All Employees (including leaders)	60.2%	60.0%
Workforce Representation	Set baseline demographic metrics and aim for growth		—	Baseline set
Inclusion	Set baseline and aim for growth		—	83%

1. FY22 Board figure does not include the Managing Director, new FY23 figure does.

## Our focus for FY24

In year two of the Belonging at BEN Strategy, we will continue to strengthen governance measures and build on the momentum gained in year one of the Strategy. The focus will be on continuing to embed the program of work introduced in year one. Key deliverables will include:

- a new Access and Inclusion Plan
- implementation of the RAP and supporting Indigenous Voice to Parliament
- meeting the new requirements under the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023
- establishing a new culturally and linguistically diverse Employee Network Group and embedding the Bank's Aboriginal and Torres Strait Islander group, MOB@BEN
- progressing the customer and community pillars of the Strategy

Further information on progress against the Belonging at BEN Strategy can be viewed in the Bank's [Sustainability Report Strategy](#).





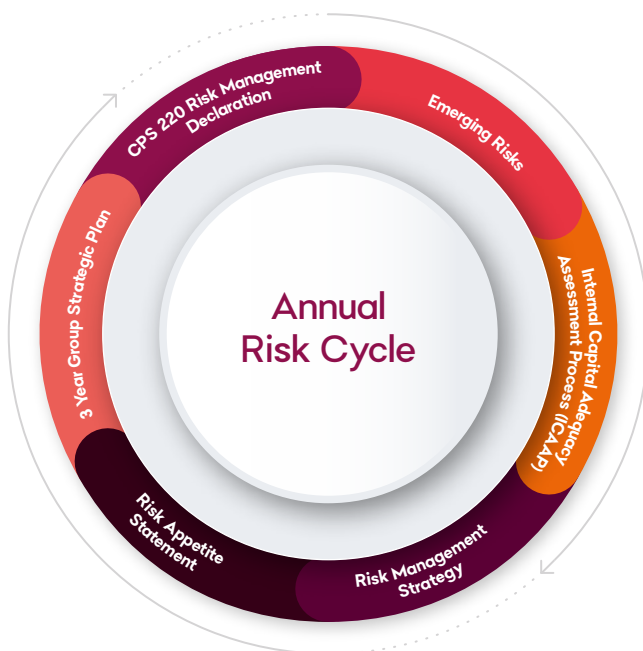
# Managing risk

## Risk management framework

The Group operates in a complex and challenging external environment. Our Risk Management Strategy (RMS), framework and practices support the Group to navigate such challenges and achieve its vision of being Australia's bank of choice.

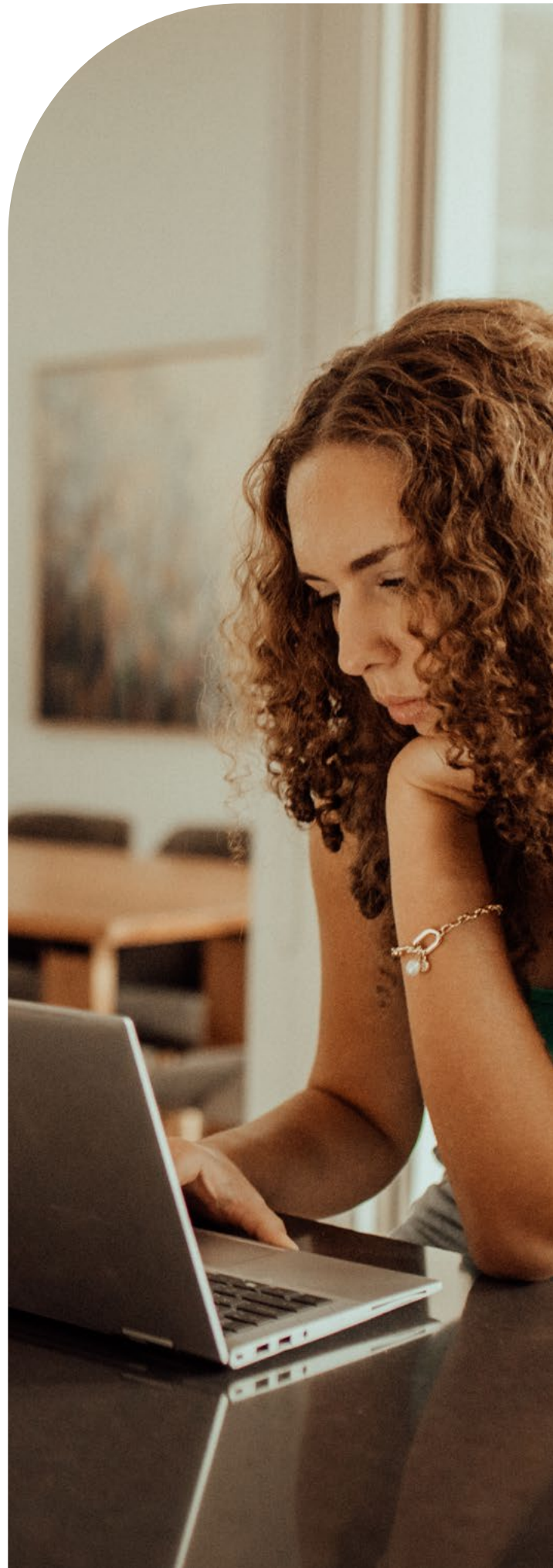
The Risk Management Framework (RMF) comprises the systems, structures, policies, processes, and people within the Group that identify, measure, evaluate, monitor, report and control or mitigate all internal and external sources of material risk. The Board is ultimately responsible for the Group's RMF and is responsible for the oversight of its operation by the Executive and management of the Group. Our business is exposed to a broad range of financial and non-financial risks.

There are several key items approved by the Board and/or Board Committees which form part of the RMF. The Group undertakes an annual cycle to set the strategy and appetite for the Group and assess capital adequacy.



The Group has defined fourteen material risks that could have a significant adverse impact, financial and/or non-financial, on the Group and its ability to do any of the following:

- Meet its obligations to customers, staff, shareholders, community and / or regulators;
- Maintain a sound financial position;
- Meet its strategic objectives and business plan;
- Maintain critical operations; or
- Maintain its reputation and level of trust.





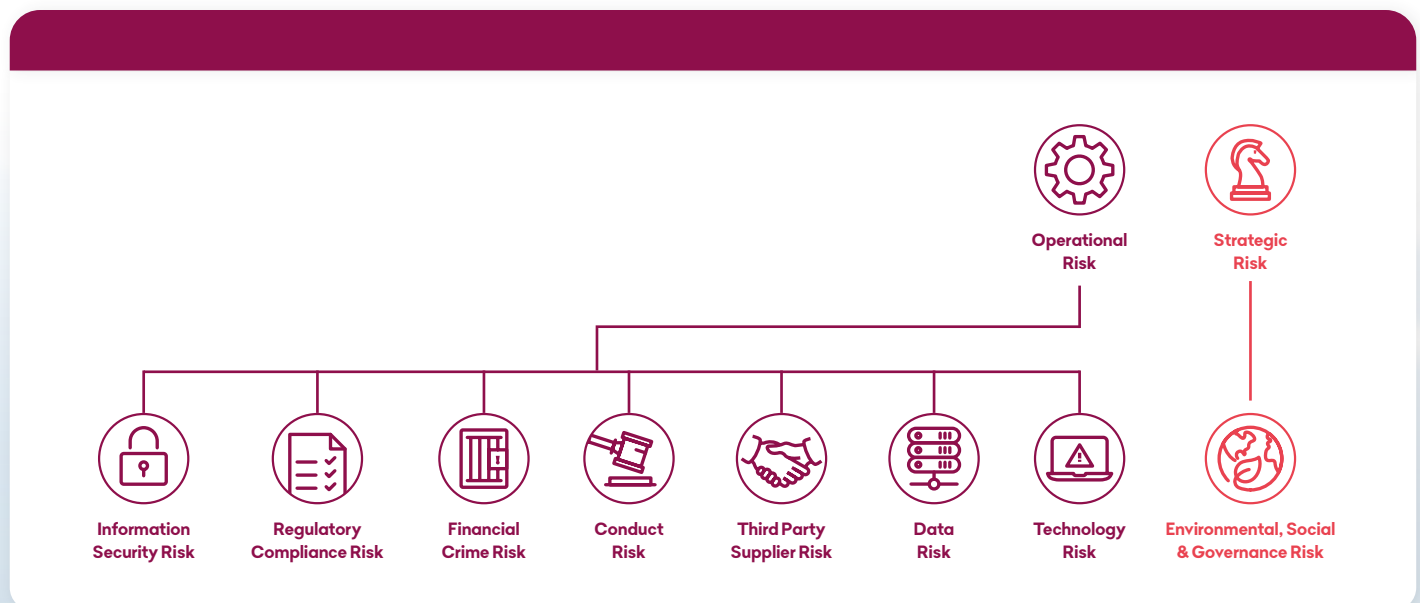
## Managing risk continued

Financial risks arise from the Group's risk-taking activities that are reflected in the Group's financial position and balance sheet.



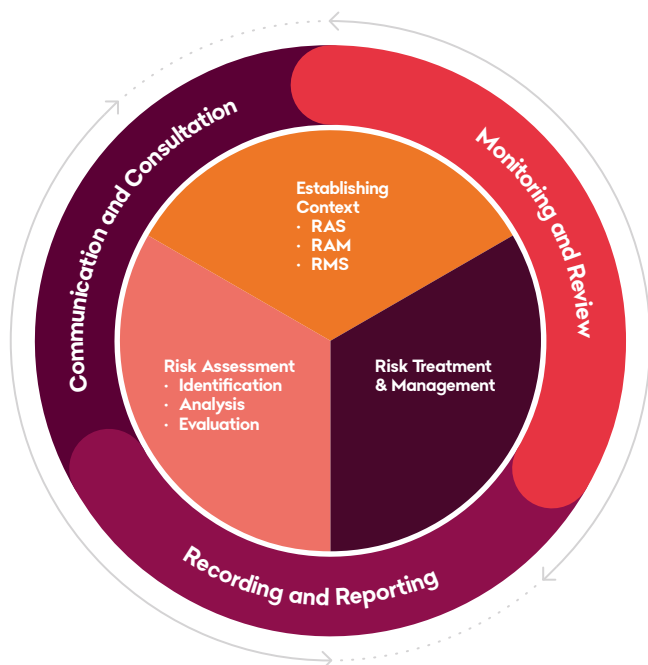
Non-financial risks arise from our people, operations, processes, systems and external environment. These are classified as Strategic and/or Operational Risks.

The Group manages all risk using broadly the same approach, acknowledging that each risk will have specific nuances.



## Managing risk continued

The Group's approach to managing risk is presented below.



The RMS is reviewed annually to ensure it continues to be adequate and that the Group is operating with consideration of the risk appetite set by the Board. The review is undertaken by the Board Risk Committee with changes recommended to the Board for decision. The Board also makes an annual risk management declaration to APRA in line with APRA Prudential Standard CPS 220 Risk Management.

### Risk Appetite

Risk appetite is the amount of risk the Board is willing to accept in pursuit of the Group's Strategic objectives and business plans, considering the interests of customers and shareholders.

The Board sets and approves the Group's risk appetite as part of its overall Group strategy.

The Board's risk appetite for its material risks is documented in the Group's Risk Appetite Statement (**RAS**). The Group's RAS is reviewed, updated, and approved annually by the Board. The RAS defines the level and types of risk that the Group is willing to take.

The Risk Appetite Methodology (**RAM**) documents the Group's risk appetite approach and helps all material risks be managed within a defined risk appetite which is aligned with the Group strategy and business objectives.

The Group's risk appetite is set at a Group level by the Board, and is translated by management into the policies, frameworks, processes, and procedures.

### Risk Culture

Risk Culture refers to the shared attitudes, values and behaviours that characterise how our people consider risk in their day-to-day activities.

A strong risk culture ensures that risk management is embedded in the Group's culture, strategy, risk appetite, and decision-making processes, and that everyone understands their role in managing risk. A positive risk culture also promotes transparency, accountability, and a willingness to speak up about risks and issues, to prevent or mitigate these before they materialise.

An effective risk culture is critical for the Group to deliver its strategic objectives and operate within its Risk Appetite. The Board, Executive and senior managers play a pivotal role in establishing the target risk culture state which guides and prioritises risk culture specific initiatives and assists the Board and Executive to form an aligned view of risk culture and its drivers. This is accomplished using the Group's cultural model.

### Risk Capabilities, Skills & Behavioural Expectations

To enable and support a strong Risk Culture, it is important that our people model expected organisational behaviours and continually develop their risk capabilities and skills.

Group frameworks set out the behavioural expectations of our people whilst our Values and Critical Few Behaviours provide a simple and clear set of actions to help accelerate the way we execute on our strategy whilst managing risk. Adherence to these behaviours is reviewed as part of the performance management cycle.

Capabilities are behaviours and attributes that are demonstrated independent of context. They are broad, generic, and transferable and therefore have value and applicability across different roles, function, and divisions. Risk Acumen has its own category across the People Capability Framework to reflect that risk management should be foundational and everybody's responsibility across the Group. Risk Acumen is a key pillar in both recruitment process and in ongoing performance management of our people.

Skills are the knowledge and expertise which relate to a particular function, tool, or outcome. Skills are required to achieve work outcomes within a specific context and therefore could become obsolete over time. The Group develops risk skill matrices to align learning roadmaps and enterprise learning strategies to our people.

## Managing risk continued

### Lines of Defence

The Group adopts a Three Lines of Defence model across most of its operations, which allocates responsibility and accountability for risk across the three lines.

Each area has a distinct role and specific accountabilities. The model includes accountability (First Line), independent Challenge (Second Line), and assurance & review (Third Line).

Three lines of defence are important because:

- It helps us define who is responsible for what across the organisation;
- It avoids gaps in our risk management and unnecessary duplication; and
- It helps us deliver strong, integrated Group-wide assurance activities.

The table below provides a definition.

Line of Defence	Definition	Ownership
<b>First Line of Defense (1LoD)</b>		
Accountability	<p>1LoD includes most front facing and operations-based staff.</p> <p>This includes Executives and all staff of those divisions, staff members with delegated authority to make decisions (including sales staff), including any staff conducting risk management activities as part of operational teams.</p>	<b>Ownership</b> of the business outcomes, risk and compliance obligations, risks, and controls.
<b>Second Line of Defense (2LoD)</b>		
Independent Challenge	<p>2LoD is made up of specialised risk, compliance, and subject matter expert resources, who are responsible for the development of risk frameworks and policies and providing independent oversight and challenge.</p> <p>2LoD includes any specialist areas responsible for setting and monitoring adherence with enterprise-wide standards.</p>	<p><b>Ownership</b> of the design and operation of the risk management framework and the extent to which it is fit-for-purpose to enable the business to manage risk.</p> <p>Setting the rules which are to be applied consistently across the organisation and are designed to ensure compliance or manage/reduce risk.</p>
<b>Third Line of Defense (3LoD)</b>		
Assurance and Review	<p>3LoD is made up of Group Internal Audit (<b>GIA</b>) and the co-sourced internal audit provider (<b>PwC</b>).</p> <p>3LoD are independent of management with a direct reporting line to the Board Audit Committee. The GIA team have unfettered access to the 1LoD and 2LoD people, systems, and processes which allows for objective, transparent, and credible assessment and reporting of the internal risk and control environment.</p> <p>External audit fulfils a 3LoD role but is independent to GIA.</p>	<b>Ownership</b> of the execution of the Board Audit Committee-approved assurance program.



## Managing risk continued

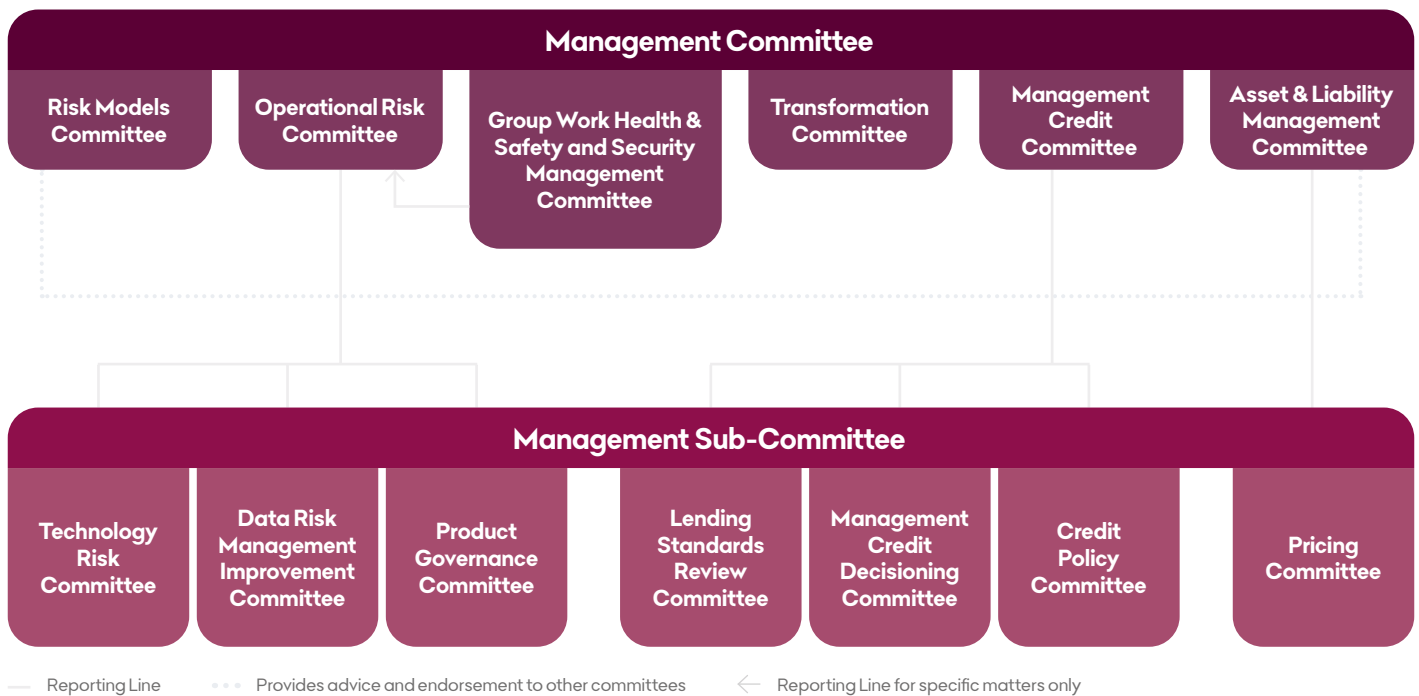
### Risk Management Governance

To support the management of risk across the Group, the Board has established a governance structure.

The Board oversees the risk management strategy and framework considering the risk appetite, prudential capital requirements, and strategic and business priorities of the Group.

This includes forming a view of risk culture in the Group, approving the risk appetite, capital management plan, funding strategy, changes to the risk management framework, and monitoring the effectiveness of risk management.

The following management committees also assist in relation to risk management oversight and providing diverse risk management views when decisions need to be made or judgment needs to be utilised.



## Managing risk continued

### Environmental, social and governance risks

Environmental, social and governance (ESG) risks are managed in accordance with our risk management strategy, frameworks and relevant policies.

We identify our most material ESG topics through a dynamic materiality approach and report on these topics in our Sustainability Report.

In 2023, the topics identified as being most material to our stakeholders and operations are:

- Customer satisfaction
- Thriving regional and rural communities
- Climate change
- Financial crime risk
- Data privacy and security

Further information on the Bank's material exposures to ESG and sustainability risks, and how we govern, manage and report on those risks are set out in our 2023 Sustainability Report.

For more detailed information about how Bendigo and Adelaide Bank manages climate change risk, refer to our 2023 Sustainability Report.



## Australia's most trusted bank

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### Alternative Access Formats

Our Corporate Governance  
Statement is available on our BEN  
website [www.bendigobank.com.au](http://www.bendigobank.com.au)

If you require an alternative format,  
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