

SustainabilityREPORT

AUSWIDE BANK LTD | AUSWIDEBANK.COM.AU





Contents

2

SUSTAINABILITY
OUR APPROACH

3

WORKFORCE EMPOWERMENT
AND CAPABILITY

4

CLIMATE CHANGE, SUSTAINABLE
FINANCE, AND ENVIRONMENT

5

DATA PROTECTION
AND GOVERNANCE

6

DIGITAL TRANSFORMATION
AND PARTNERSHIP

7

COMMUNITY SUPPORT
AND INVOLVEMENT

10

CUSTOMER EXPERIENCE AND
PRODUCT RESPONSIBILITY

11

SUPPORTING ECONOMIC AND
CUSTOMER RESILIENCE

12

LEADERSHIP AND GOVERNANCE

We acknowledge the Traditional Owners of the lands on which we operate and pay our respects to Elders past and present, and to emerging community leaders. We also acknowledge the important role Aboriginal and Torres Strait Islander peoples continue to play within the communities in which Auswide Bank operates and where our team members reside.

Sustainability

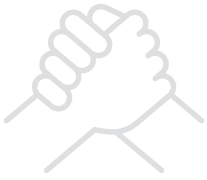
OUR APPROACH

At Auswide Bank sustainability is integral to our mission and operations. We are committed to fostering economic, social, and environmental resilience. This report highlights our efforts to integrate sustainable practices into our business model, emphasising our dedication to responsible lending, transparent governance, and community engagement. By aligning our strategies with sustainability goals, we strive to create long-term value for our stakeholders and contribute positively to the global economy.

Our sustainability goals are centred on **value creation**, ensuring we remain relevant to our customers, shareholders and the communities in which we operate.

-  1 | Workforce empowerment and capability
-  2 | Climate change, sustainable finance and environment
-  3 | Data protection and governance
-  4 | Digital, transformation and partnership
-  5 | Community support and involvement
-  6 | Customer experience and product responsibility
-  7 | Supporting economic and customer resilience
-  8 | Leadership and governance

We're proud of our progress in sustainability, driven by our commitment to people-first principles and high governance standards. However, we recognise that significant work remains to meet Federal Government climate, sustainability, and ESG reporting requirements, set to begin in 2025.



WORKFORCE EMPOWERMENT AND CAPABILITY

We seek to build a diverse and inclusive workforce that reflects our customer base and feels connected to our purpose, values, and risk culture, while always putting customers at the heart of everything we do. We aim to support our people to work flexibly, seize future opportunities, and become good corporate citizens.

OUR FOCUS IS ON:

- > wellbeing - health and safety (working conditions)
- > inclusion and diversity
- > employee support and benefits
- > culture and engagement
- > talent and capability.

HOW WE ENGAGE

- > Annual staff survey.
- > Clear expectations for workplace behaviour.
- > Individual performance measurements.
- > Leader development programs.
- > Wellbeing program.
- > People at Work (PAW) Psychosocial Risk Assessment survey.
- > Flexible and inclusive work practices for staff.

WHAT WE HAVE BEEN FOCUSING ON

- > Workplace health and safety training for an improved work environment.
- > Connecting people to our strategic ambitions.
- > Leaders cultivating a work environment where individual differences are understood and respected.
- > Flexible work practices that meet the differing needs of our people.
- > Ensuring fair and equitable performance management processes.
- > Increased focus on empowering our people to manage their wellbeing.
- > Training to raise awareness of customers facing vulnerability or hardship.
- > Organisational cyber security awareness with an interactive escape room training program.

30 JUNE 2024 UPDATE

Staff receive four extra wellness leave days in addition to personal and annual leave.

Staff are given two volunteer days to support community involvement.

Discounted private health cover and free annual influenza vaccinations.

Our Employee Assistance Program provides three free coaching and counselling sessions per year.

Establishment of the Auswide Bank Wellbeing Focus committee.

96% Staff engagement and satisfaction.

96% Personal wellbeing score.

100% mandatory training completed by staff.

100% of staff completed cyber security awareness training.

231 Full time staff.

83 Part time / casual staff.

STAFF ENGAGEMENT AND SATISFACTION

96%

PERSONAL WELLBEING SCORE

96%

70%

OF STAFF WORK IN REGIONAL QUEENSLAND COMMUNITIES



CLIMATE CHANGE, SUSTAINABLE FINANCE, AND ENVIRONMENT

As Auswide Bank continues to develop and embed its ESG strategy, it is important that the approach toward our environment aligns with the expectations of customers, shareholders, staff, as well as our strategic business objectives.

This year, our ESG Committee concentrated on navigating the complexities of the International Financial Reporting Standards (IFRS). These standards are essential for ensuring that our financial reporting remains consistent, reliable, and aligned with global best practice.

The adoption and integration of IFRS will begin next year, with full implementation and reporting in accordance with regulatory requirements set to commence in FY25.

OUR FOCUS IS ON:

- > climate change
- > sustainable business
- > commitment to lending policies that are aligned to community expectations.

HOW WE ENGAGE

- > Emphasis on digital communication with customers.
- > Electronic statements.

WHAT WE HAVE BEEN FOCUSING ON

- > Promotion and education of electronic banking as an alternative way of banking.
- > Encouraging customers to adopt electronic statements.
- > Using energy-efficient LED lighting and automatic timers to turn off air-conditioning in unused offices.
- > Recycling printer, fax, and photocopier cartridges through Cartridges 4 Planet Ark.
- > Recycling obsolete computer and telephone equipment.
- > Ensuring our lending policies exclude financing companies primarily engaged in thermal coal or coal seam gas activities.

53% OF CUSTOMERS REGISTERED FOR INTERNET AND MOBILE APP BANKING

VISA DEBIT CARDS
made from plant-based biodegradable material

30 JUNE 2024 UPDATE

We began developing a climate action plan with the help of external consultants.

48,413 customers registered for internet and mobile app banking - 53% of all customers.

36,218 customers are receiving electronic statements - 39% of all customers.

Visa Debit Card made from Polylactic Acid, a plant-based and degradable material sourced from renewable resources.

Cards are delivered in envelopes made from 100% recycled paper, with the enclosed letter also printed on 100% recycled paper.



DATA PROTECTION AND GOVERNANCE

As we progress toward integrating digital banking within our customer offering, data protection remains crucial.

Managing cyber security risks and protecting customer privacy is fundamental to ensuring our customers can trust us with their confidential information. This is reinforced by our commitment to transparency around how data is collected, used, stored and destroyed.



OUR FOCUS IS ON:

- > cyber security
- > protection from fraud and scams
- > customer/personal data privacy
- > open banking
- > regulatory reporting
- > trusted data.

HOW WE ENGAGE

- > Open banking according to the Consumer Data Right.
- > Cyber security framework.
- > Information security policy.
- > Privacy policy.
- > We operate under a comprehensive regulatory reporting and data program.

WHAT WE HAVE BEEN FOCUSING ON

- > Enhancing our in-house capabilities through the development of core cyber security processes and engaging in research and development activities.
- > Continuing to educate customers about the privacy risks associated with scams and identity fraud through regular updates and communications.
- > Measuring our cyber security performance by tracking cyber attacks on our business. This includes conducting regular authorised simulated cyber attacks to evaluate the effectiveness of our controls and pinpoint areas for improvement.

30 JUNE 2024 UPDATE

We have strengthened our cyber security function through implementing enhancements to 'detect and respond' capabilities.

A substantial number of firewall attacks with a 100% block rate.

100% of staff completed data and cyber security training.

100% STAFF COMPLETED
DATA AND CYBER
SECURITY TRAINING



DIGITAL, TRANSFORMATION AND PARTNERSHIP

Embracing digital transformation with a customer centric approach is essential for advancing sustainability and delivering value in our environmental and social initiatives.

OUR FOCUS IS ON:

- > strategy drives digital transformation
- > digital capabilities generate a return
- > digital projects are on the strategic roadmap.

HOW WE ENGAGE

- > Online deposit product origination.
- > Internet and mobile banking capability.
- > Digital cards and payment methods.
- > Digital fraud management.

WHAT WE HAVE BEEN FOCUSING ON

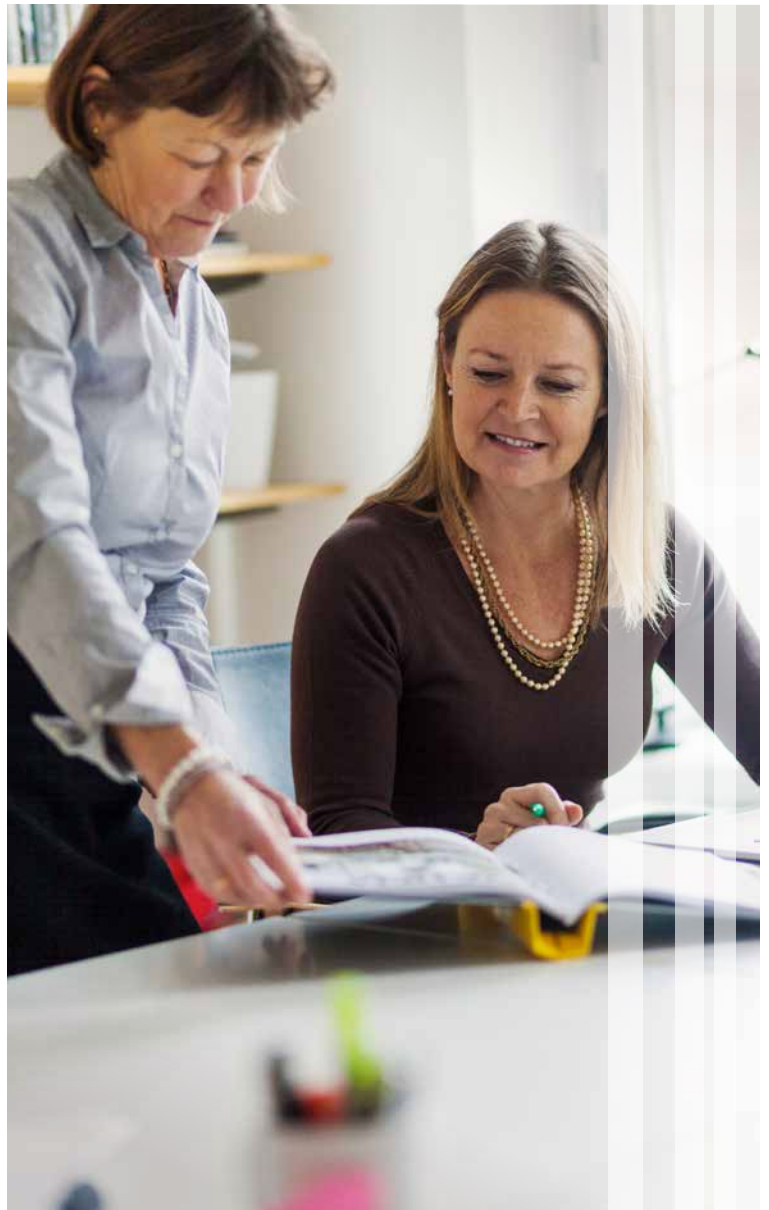
- > Ongoing investment in maintaining cyber and data resilience.
- > Data platform within the cloud, offering improved data capabilities and management of data risk.
- > Digital fraud management via our partnership with Indue.
- > Artificial Intelligence machine learning capability to retain our home loan customers through a targeted call program.
- > A robotic process automation program that streamlines customer and operational processes.
- > Streamline and digitise end-to-end loan origination for a faster, more efficient, and consistent experience for brokers and customers.

30 JUNE 2024 UPDATE

39% of customers are receiving e-statements.

53% of customers are registered for internet and mobile app banking.

4,472 robotic processes occur each month.



4,472 ROBOTIC PROCESSES per month

39% CUSTOMERS RECEIVING E-STATEMENTS



COMMUNITY SUPPORT AND INVOLVEMENT

The connection to our community is an important part of our identity.

By developing and maintaining strong relationships and investments, Auswide Bank contributes to the community, as well as supports vulnerable community members with access to suitable and affordable financial services.

Our goal is to build relationships within our communities, understand what's important to them and help people feel connected.

HOW WE ENGAGE

- > Supporting financial wellbeing in our communities.
- > Sponsorship of our community partners allowing them to continue to provide local support.
- > Supporting several charities with fundraising and volunteering.
- > Community engagement programs - connecting them with other community partners.

WHAT WE HAVE BEEN FOCUSING ON

- > Refining our sponsorship process to make sure that our support is going to where it will have the most impact.
- > Developing relationships with charity partners where our support can involve and engage the entire Auswide Bank team.
- > Continuing to work with staff to maximise their use of our two volunteer days per year.



Supporting Meg Harris and her Olympic dream.



Mates Date winner with Corey Parker.

Guy Leech - Bundaberg Defib Hero Community Activation Program.



Participating in the 13th Walk for Awareness.



Busy Bee - a garden clean-up at the Charles Wanstall Apex Lodge in Brisbane supporting Queensland Cancer Council.



30 JUNE 2024 UPDATE

Queensland Maroons Sponsorship	<p>On September 14, 2023, we saw the conclusion of Auswide Bank's partnership with the QRL and our front of jersey sponsorship of the Queensland Maroons.</p> <p>Auswide Bank is extremely proud and honoured to have supported Queensland Rugby League (QRL) and local football league communities for the last five years.</p> <ul style="list-style-type: none"> > Auswide Bank, in collaboration with QRL, hosted a skills training clinic that gave QRL community club players the chance to learn from former State of Origin legends and improve their skills. > The Auswide Bank Mal Meninga Cup is a premier junior rugby league competition in Queensland, catering to players under 18. Our support for this regional league enables young athletes in Queensland to compete at a high level, providing them with opportunities to advance their football careers and pursue their sporting dreams. > Over the past five years, we've taken numerous customers and partners to QRL events, giving them a chance to experience the joy of our partnership and helping to strengthen our relationships with them in the process. <p>In consultation with the QRL, Auswide Bank developed a Financial Literacy program for the QRL community. This program aims to support the health and wellbeing of young people aged 16-25. By focusing on this critical age group, the program emphasises the importance of becoming financially fit early, which can significantly impact their financial future.</p>
Salvation Army Red Shield Appeal (Bundaberg)	<p>Auswide Bank donated \$9,600 to the Red Shield Appeal annual Bundaberg Business Lunch.</p>
Queensland Cancer Council	<p>Across the bank our staff dressed in pink and held numerous morning teas during the year to help raise awareness for this worthy cause.</p> <p>In February 2024, a team of Auswide Bank volunteers dedicated a day to help with a garden clean-up at the Charles Wanstall Apex Lodge in Brisbane, rolling up their sleeves for a productive 'busy bee'.</p>
Walk for Awareness	<p>Auswide Bank was a major sponsor of the event and had a number of staff and their families participating in the 13th Walk for Awareness. This event supports mental health awareness. Our staff were given the opportunity to participate in the event.</p>
Wide Bay Sports Academy	<p>Our annual sponsorship allows the academy to give athletes the support, education and coaching they need to reach their peak level while living in the region with family and social network support. A focus is to deliver outcomes for the 2032 Olympics.</p>
Bargara Triathlon	<p>Our partnership allowed the club to successfully hold their annual triathlon and promote participation and fitness over results. The event catered for a wide range of triathletes, from those who seek national age selection to those who like to keep fit and challenge themselves.</p>
Bundaberg Defib Hero Community Activation Program	<p>Our sponsorship assists the 'Defib Hero' program that provides the community with access to defibrillation machines and the necessary skills and confidence to use the machine in an emergency.</p> <p>A goal of the program is to ensure every resident in Bundaberg has access to a defibrillation machine within three minutes.</p>



30 JUNE 2024 UPDATE CONTINUED

<p>Coral Coast 2023 Lift the Lid Walk</p>	<p>As sponsors of the event, Auswide Bank fully supports 'the walk and talk format' of this event that is deliberately not a race, but an opportunity to get people together and raise awareness of the serious mental health issues we face in our communities, schools, homes and workplaces.</p> <p>Our staff were also given the opportunity to participate in this event.</p>
<p>Project32</p>	<p>Through Project32, an athlete and partnership development program, we are sponsoring Olympic freestyle swimmer, Meg Harris. Our sponsorship of Meg will give her the essential financial support she needs to focus on her sporting career and athletic development, as she continues to chase her Olympic dreams. We'll also be supporting Meg through professional mentorship and coaching as she continues her nursing degree, preparing for a career after swimming.</p>
<p>Connection to our communities</p>	<p>Auswide Bank values sponsorships where we can give back to our communities, providing essential support to key grassroots initiatives within our network, which this year included:</p> <ul style="list-style-type: none"> <li style="display: inline-block; width: 45%; vertical-align: top;"> <ul style="list-style-type: none"> > Bundaberg Show > Rotary Xmas Trailer > Bundaberg Squash > LifeFlight Golf Day > Boyne Tannum Sands Ladies Bowling Club > Mackay Highland Dancing Association > Bundaberg Orchid Society > Queensland Cancer Council > Ronald McDonald House Charity <li style="display: inline-block; width: 45%; vertical-align: top;"> <ul style="list-style-type: none"> > Maryborough Orchid Show > Bundaberg Cerebral Palsy Alliance > Wide Bay Junior Golf Order of Merit > The Wattle Nest > QCWA Pioneer Division > Cerebral Palsy Alliance > Inspiring Brighter Futures Foundation > ATW Rugby League

Staff supporting our communities

Auswide Bank actively supports community engagement through a range of events and activities that raise funds for charity and supports cultural initiatives. We encourage our staff to participate in numerous fundraising activities each year. To further support community involvement, we provide two full days of paid leave annually for employees to volunteer for any community service opportunity they choose, and not limited to the organisations directly supported by Auswide Bank.

MORE THAN
462
VOLUNTEER DAYS
AVAILABLE TO THE
COMMUNITY

SUPPORTING
OLYMPIANS FOR PARIS
AND THE FUTURE

PARTNERING AND SUPPORTING
SEVERAL MENTAL HEALTH,
EVENTS AND CHARITIES



CUSTOMER EXPERIENCE AND PRODUCT RESPONSIBILITY

Auswide Bank services more than 92,000 customers nationally through a range of product offerings designed to meet their individual needs.

Our customers choose to bank with us because they know that every customer is important to us. We take the time to truly understand their unique needs and offer a comprehensive range of products designed to meet those needs at competitive rates. By giving customers control over when, how, and where they interact with us, we aim to create positive experiences. We are committed to lending responsibly, offering clear terms, and ensuring fair outcomes.

OUR FOCUS IS ON:

- > enhancing our customer experience
- > evolving our service and distribution channels
- > customer satisfaction and advocacy
- > product simplification and transparency
- > resolving customer complaints
- > fair and competitive rates and fees
- > supporting customers through the cost-of-living pressures
- > trusted partners
- > protecting customers from frauds and scams.

HOW WE ENGAGE

- > Customer surveys.
- > Broker feedback forums.
- > Assisting customers experiencing financial hardship.
- > Participating in the Federal Governments First Home Loan Deposit Scheme (FHLDS).
- > Assisting vulnerable customers.

WHAT WE HAVE BEEN FOCUSING ON

- > Enhancing the loan process with automated decision-making, digital documentation, and robotic systems.
- > Increasing features of internet banking and our mobile app.
- > Reviewing customer forms to improve usability.
- > Product governance to meet design and distribution obligations.
- > Phasing out products that are no longer supported, for a smoother customer experience.
- > Reviewing internal credit rules and procedures, while remaining compliant with regulatory guidance.
- > A transparent and accessible complaint management process.
- > Proactively contacting customers at higher risk of financial stress, including those exiting a fixed home loan rate.
- > Investment in fraud and scam awareness training for customers and staff.
- > Supporting our broker network with ongoing education to ensure they reflect our values, while promoting our brand and products.
- > Enhanced financial literacy education and support to customers.

30 JUNE 2024 UPDATE

92,144 bank customers.

7,054 brokers.

Launch of a new retail website with a clean, user-friendly design.

96% customer satisfaction score.

Net Promoter Score of 40.

56 complex customer forms updated.

MOZO experts choice awards for our investor home loan, low cost home loan and our offset home loan.

Reviewed and updated a range of product terms and conditions to simplify comprehension and remove any potentially unfair terms.

Complaints management:

- > 289 Complaints handled this year, compared to 458 in 2023.
- > Total customer complaints as a percentage of total customers remains low at 0.31%.
- > 62% of complaints (178) resolved within 5 days.

Continued to implement fraud mitigation systems and technology.

Focus on customer and employee education and fraud awareness, with 100% completion of training.

96% customer satisfaction

NPS 40

ACTIVE BROKERS

7,054



SUPPORTING ECONOMIC AND CUSTOMER RESILIENCE

Auswide Bank is committed to supporting our customers and the wider economy.



OUR FOCUS IS ON:

- > cyber security
- > protection from fraud and scams
- > customer/personal data privacy
- > open banking
- > regulatory reporting
- > trusted data.

HOW WE ENGAGE

- > Annual stress testing and scenario modelling.
- > Hardship packages for customers in their time of need.
- > Business Continuity Management (BCM) program under CPS 234.
- > Critical incident risk management via our Business Continuity Plan (BCP).
- > Continuing to develop a purpose led culture.

WHAT WE HAVE BEEN FOCUSING ON

- > Enhancing our scenario analysis tools and modules to provide insight into our portfolio resilience and vulnerability.
- > Regular review and testing to ensure BCM is fit for purpose under CPS 234 and in line with our Security Policy and Cyber Response Plan.
- > Building leadership capability to create trusting environments for our people, with a focus on wellbeing.

30 JUNE 2024 UPDATE

0.20% arrears as a percentage of loan book (30 days past due).

14.78% capital adequacy ratio.

12.12% common equity tier 1.

Annual BCP exercise facilitated by external provider.

SENSIBLE LENDING
0.20% Arrears as percentage of Loan Book

CAPITAL ADEQUACY RATIO
14.78%

COMMON EQUITY TIER 1
12.12%



LEADERSHIP AND GOVERNANCE

Operating ethically is the foundation of stakeholder trust in Auswide Bank.

Over many years, we have built our business on strong principles and values that guide our behaviour. We communicate clear messages about what we stand for and follow through with the right actions to make ethical behaviour real for our team.

OUR FOCUS IS ON:

- > corporate governance
- > eliminate modern slavery
- > purpose-led culture
- > business ethics
- > critical incident risk management
- > systemic risk management.

HOW WE ENGAGE

- > Subscription to the ASX Corporate Governance Council's 4th Edition Corporate Governance Principles and Recommendations.
- > Full and half-year reporting and investor presentations.
- > Regular briefings and meetings with investors and analysts.
- > Banking Code of Practice.
- > Modern slavery statements.
- > Risk Management Strategy and Framework.
- > ESG Committee.
- > Diversity and inclusion program with Board oversight.
- > Whistleblower policy.
- > Banking Accountability Regime (FAR): established by the Australian Prudential Regulation Authority (APRA). FAR regulates the accountability of Executives and Directors for their behaviour and decision-making.

WHAT WE HAVE BEEN FOCUSING ON

- > Membership and active participation with the Australian Banking Association.
- > Ongoing prudential reporting and engagement with regulators.
- > Staff survey to measure and enhance organisational risk culture.
- > Clarity of Executive portfolios and single points of accountability.

CORPORATE GOVERNANCE

The Board is entrusted with overseeing our corporate governance and understands its role in representing both shareholders and the industry. During FY24, the Board actively monitored progress in our areas of sustainability focus. Auswide Bank is dedicated to enhancing our financial and operational resilience and cultivating a strong risk culture. Our corporate governance approach is grounded in core values and behaviours that ensure transparency, fair dealing, and the protection of stakeholder interests in all our daily operations.

Responsibly managing our governance supports include:

- > transparent disclosure
- > business conduct and ethics
- > financial and business management
- > compliance
- > sustainable shareholder returns
- > risk management.

30 JUNE 2024 UPDATE

Annual Board review and approval of Corporate Governance Statement.

Annual review of all compliance documents with oversight from the Compliance Committee.

Compliance with Banking Code of Practice.

Key vendors and business partners screened for modern slavery assessment.

Diversity ratios:

- > 41% of all senior leadership roles filled by women
- > 50% of Non-executive Directors are women
- > 71% of all roles filled by women

Age breakdown of staff:

- > 1 staff member under 18
- > 73 staff between ages 18 – 30
- > 74 staff between ages 31 – 40
- > 63 staff between ages 41 – 50
- > 48 staff between ages 51 – 60
- > 39 staff members over 60 years old.

Published annual Corporate Governance Statement and Appendix 4G, in compliance with ASX Listing Rules.

RISK MANAGEMENT

Auswide Bank is dedicated to implementing effective strategies to identify, and manage the risks associated with its operations. The bank follows an integrated approach to risk management that aligns with the international standard ISO 31000. To ensure robust oversight, Auswide Bank has appointed a Chief Risk Officer and adheres to the Australian Prudential Regulation Authority's Prudential Standards CPS 220 (Risk Management) and APS 310 (Audit & Related Matters).



Head Office
Auswide Bank
16 - 20 Barolin Street
PO Box 1063
Bundaberg QLD 4670

T 07 4150 4000
F 07 4152 3499
E auswide@auswidebank.com.au

1300 138 831
auswidebank.com.au

AUSWIDE BANK LTD ABN 40 087 652 060
Australian Financial Services & Australian Credit Licence 239686

