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Our reporting suite.

We produce a suite of reporting to suit the evolving expectations and needs of a wide range of stakeholders. This includes our Annual Report, Sustainability Supplement, Investor Materials and Corporate Governance Statement.

The full suite of reporting is available at www.boq.com.au/2023



Annual Report

The BOQ Group's Annual Report sets out the activities of the group during FY23, detailing our financial and non-financial performance and how we deliver long term value. This includes our Financial Statements. Our FY23 Annual Report is available on the Annual Reports page of our website.



Corporate Governance Statement

Our 2023 Corporate Governance Statement discloses how we have complied with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) and is available on the Corporate Governance page of our website.



FY23 Investor Materials

Our FY23 Investor Materials provide a high-level overview of the BOQ Group's performance, a detailed result analysis and a discussion on the outlook, which covers the macro environment and the Group's high-level priorities. Investor Materials are available on the Financial Results page of our website.

About this sustainability supplement

The BOQ Group's Sustainability Supplement (this document) sets out the activities of the Group during financial year 2023, detailing sustainability topics not addressed in the Annual Report and relevant to a broad group of stakeholders such as our customers, employees, or communities.

Unless otherwise stated, the Sustainability Supplement encompasses all BOQ Group activities for the financial year commenced 1 September 2022 and ended 31 August 2023. All monetary values in this document are presented in Australian dollars, which is the Bank's functional currency.

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Acknowledgement of Country

BOQ Group acknowledges the Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land where we live and work. We pay our respects to Elders past, present and emerging.

BOQ GROUP

We are always looking for ways to improve our reporting suite and welcome any feedback. Please send your questions or suggestions to InvestorRelations@boq.com.au

Bank of Queensland Limited
ABN 32 009 656 740
AFSL No. 244616
Level 6, 100 Skyring Terrace,
Newstead QLD 4006



Important information and disclaimer

This document may contain forward-looking statements, forecasts, estimates, projections, and opinions. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believe”, “estimate”, “plan”, “target”, “project”, “anticipate”, “expect”, “intend”, “likely”, “may”, “will”, “could”, “should” or other similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. There can be no assurance that actual outcomes will not differ materially from these statements.

Forward-looking statements reflect BOQ's current views about future events. There are a number of factors (which may involve known or unknown risks and uncertainties, many of which are outside the control of BOQ) that could cause BOQ's financial performance and actual results to differ materially from those expressed, anticipated, or implied by, any forward-looking statements. These factors include changes in BOQ's operating environment, changes to the financial performance or position of BOQ, material changes to the law or applicable regulation, risks and uncertainties associated with the Australian and global economic/political environment and capital market conditions and the COVID-19 pandemic. Readers should not place undue reliance on any forward-looking statements. To the maximum extent permitted by law, BOQ takes no responsibility for the accuracy or completeness of any forward-looking statements, whether as a result of new information, future events or results or otherwise. BOQ does not undertake to update any forward-looking statements contained in this document.

BOQ Group approach to sustainability reporting.

This report provides BOQ Group stakeholders with supplementary detail on our sustainability issues for the financial year ending 31 August 2023.

BOQ Group's 2023 sustainability reporting includes relevant disclosures within the BOQ Group 2023 Annual Report, the BOQ Group 2023 Sustainability Supplement, the BOQ Group 2023 Corporate Governance Statement and the BOQ Group 2023 Global Reporting Index. BOQ's sustainability disclosures have been prepared in accordance with the Global Reporting Initiative GRI Standard (2016) - Core requirements. The disclosures also refer to the Task Force for Climate related Financial Disclosures recommendations and the United Nations' Sustainable Development Goals.

We have engaged PwC to perform limited assurance over several key sustainability metrics and assertions included our sustainability disclosures. Refer to pages 33-35 for the assurance opinion.

Access the full reporting suite online at www.boq.com.au/2023

Our materiality approach

BOQ Group regularly reviews the most material environmental, social, and governance issues affecting our business. These topics represent the issues that are relevant and impactful to both stakeholders and to the business. Stakeholder engagement and materiality assessment processes are outlined in the 2023 Annual Report.

Our material issues are reported in:

- 2023 Annual Report: Priority material issues important to investors and other users of general purpose financial reporting.
- 2023 Sustainability Supplement: Material issues and data table important to investors and broader stakeholders such as customers, employees or communities.

Material issues in the Sustainability Supplement

Value drivers.



ESG material issues.

Community support and involvement

- Our community investment approach
- Community investment highlights
- ME Go community partners

Accountability, governance, and workforce empowerment

- Accountability and transparency
- Corporate governance
- Remuneration
- Human rights and modern slavery
- BOQ Group customer advocate
- Diversity and inclusion
- Board gender equality
- Women in leadership
- First Nations reconciliation

Climate change, sustainable finance and environment

- Climate change targets
- Sustainable operations
- Sustainable finance
- Lending emissions
- Sustainability lending policies

Non-financial performance measures

- Customer
- Community
- People
- Environment and climate change

Material issues in the Annual Report

Strategic pillars.

Strengthen

Simplify

Digitise

Optimise

ESG material issues.

Financial resilience and inclusion

- Regulator engagement

Fraud and financial crime

- Fraud & scams

Ethical business conduct

- Mandatory training
- Code of conduct
- Whistleblower
- Risk culture
- Anti-money laundering

Data governance

- Customer privacy

Customer and business resilience

- Capital reforms
- Customer resilience
- Risk management
- Consumer protections
- Consumer disputes
- Community education

Customer experience

- Customer engagement
- Operating model

Talent management

- Collective bargaining

Innovation and digitisation

- Strategic partnerships

Data governance

- Open banking
- Cyber security

Financial resilience and inclusion

- Digital banking launch
- Digital financial literacy

Responding to climate change

- Climate risk management
- Climate risks and opportunities
- Progress against climate targets

Talent management

- Employee engagement/pulse survey
- Culture change program
- Capability building
- Owner Manager development
- Flexibility and empowerment

Diversity and inclusion

- Workplace equality

Our purpose.

Building social capital through banking

Through our suite of brands: BOQ, ME, Virgin Money Australia (VMA), Bank of Queensland Business (BOQB), BOQ Specialist (BOQS), and BOQ Finance (BOQF) we are committed to our purpose of Building Social Capital Through Banking. This purpose is our guiding principle; our "why" for being in business.

This purpose is more important than ever, informing how we transform our bank while providing exceptional customer and people experience.

We have reflected on how far we've come and what is most critical to our success in becoming a stronger, simpler, and more sustainable business.

We have refined our strategic pillars to guide the delivery of an exceptional customer and people experience through a stronger, more resilient bank with a simplified structure, reduced duplication and increased productivity.

Purpose.

Why we exist

BUILDING SOCIAL CAPITAL THROUGH BANKING.

Vision.

Where we are headed

To be the bank customers choose.

Pillars.

What we will deliver



Exceptional customer and people experience.



UN Sustainable Development Goals

Statement of commitment



PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21·CMP11

Paris Climate Agreement

Supporter (since 2008)



Financial Stability Board's Task Force on Climate-related Financial Disclosures

Informed by



Climate Active Network

Member



Standard for Social Impact

Member

Our values.



Spirited Be outrageously courageous

In banking, passion, courage, joy and spirit can be in short supply. Being different demands energy and courage. The courage to take a different angle on the same problem. The courage to speak your mind and back it up with action. The courage to speak up and support others when you see injustice. The courage to share both the good news and the bad. The courage to commit and deliver great results for all our stakeholders. The courage to bring every atom of your unique energy to work.

It's about a fundamental drive to shake up banking in this country, continuously improve and innovate our business, build great relationships and support our customers' success through unshakable courage, total vigour and game changing energy.



Optimistic To infinity and beyond

We need everyone in our Group to be an optimist because, when we work together to innovate and solve problems, optimism creates opportunity. It's about assuming positive intent and about belief, hope, energy, honesty and openness. It is not about being blindly positive.

It's about being ready to inspire, ready to help and ready to jump in with both feet. It's about being convinced that as a powerful group that works together in the right spirit, we can build the brightest futures – for our customers, shareholders, teams, Owner Managers and communities.



Curious Be truly, madly, deeply interested

This is about the power and value of curiosity. Curiosity is where change always begins, it's where we ask, "What if?" and "Why not?". It's where we listen, imagine, think and where we learn. It's the superpower that makes us bolder, more innovative, unafraid to press against the norm and stretch the paradigm we operate in. Equally as important is the ability and the desire to ask the right questions, interrogate unspoken needs and be attuned to how we can be inspired to make the world better. For our teams, for our customers, our communities and our shareholders.



Inclusive Tap the collective genius

Working together exponentially multiplies our potential. Our Group will win by being united deeply connected, strengthened and inspired by each other, with an unshakeable fierce faith and pride in what we can achieve together. Our Group is home to diversity and wealth of skills, experience, perspective and insight. If we harness that what we can do together is infinite. 'Inclusive' means that our customers and communities are an integral part of our wider network, and that supporting, amplifying and collaborating with them is as important as how we accept, respect, support, show gratitude, amplify and collaborate with each other.



Accountable Be the rubber that hits the road

We get it. We're in banking. We need to build trust by being honest, respectful and ethical every day. These are the non-negotiables for running a business like ours. And let's lean in further. Our definition of accountable is that at a minimum, each of us holds ourselves to a standard of impeccable citizenship and the pursuit of excellence. It's about embracing our opportunity to create value for our people, customers and shareholders. Beyond that is the ability to really see what the right thing is to do, manage risk, speak up, own up, act with integrity and then be 100 per cent accountable for ensuring it actually gets done.



Lionhearted Be fiercely caring

Businesses are people. Products are for people. Markets are driven by people. Money is emotional. We think and care with our heart and our head to help our customers, team members and BOQ flourish. Being fiercely caring is about making decisions as a human, not just by a spreadsheet.

We care about equitable banking that creates real value for everyone. When we engage our lionheart, we have all the necessary, and sometimes brave conversations, in the right way - because we care. Channelling empathy, curiosity, and intelligent insights, to activate feelings is a vital skill in 'Building Social Capital Through Banking'. When we do this, we build life-long relationships and create value for all our stakeholders.

Sustainability balanced scorecard.

The table below shows our progress in meeting our business and social commitments. They are designed to be specific and aligned with the United Nations Sustainable Development Goals (SDGs) where applicable.

 Below expected progress
  Steady progress
  Well progressed
  Achieved

Focus areas / SDGs	BOQ value driver inputs	Target / commitment	FY23	Progress
Data protection & governance. 	 Technology & data capabilities	Nil significant notifiable cyber security or privacy breaches, which result in the public disclosure of data ⁽¹⁾	Nil	
Customer experience & product responsibility. 	 Customer	Retail Net Promoter Score (NPS) ranking of 3rd for BOQ Retail and 4th for ME ⁽²⁾	BOQ Retail: 4th ME: joint 9th	
		BOQ Business SME customer NPS ranked 4th ⁽²⁾	BOQ Business SME Customer NPS: joint 5th	
Conduct, governance & culture.   	 People  Customer	Ensure our employees complete all mandatory compliance learning modules ⁽³⁾	97.5% completion rate for mandatory compliance training	
		Delivery against approved Remedial Action Plan	Development of multi-year Remedial Action Plan underway	
Climate change, sustainable finance & environment.    	 Environment & climate change	Meet emission reduction targets by 2030 and maintain carbon neutral accreditation ⁽⁴⁾	Reduction targets well progressed & Climate Active carbon neutral accreditation maintained	
		Lending to Sustainable Assets ⁽⁵⁾	\$279m	
		Achieve 100% renewable electricity by 2025 ⁽⁶⁾	In progress - 84% renewable electricity consumed	
Workforce empowerment & capability.    	 People	Increase employee engagement to 72% (top quartile of employee engagement) by FY23 ⁽⁷⁾	65%	
		Gender diversity target on the Board of 40% female, 40% male and 20% of any gender ⁽⁸⁾	57% women on Board	
Community support & involvement.    	 Community	Senior leadership target of 40% female, 40% male and 20% any gender from FY21 onwards ⁽⁹⁾	36% women in senior leadership	
		Maintain growth in community investment ⁽¹⁰⁾	\$2.2m	

Refer to page 30 for detailed endnotes relating to this table.

2023 highlights.

 Launched ME Go with **5** charity partners

 **\$2.2m** Invested in community⁽¹⁾

 Employee Engagement Score⁽²⁾ **65%**

 Launched 2nd Innovate Reconciliation Action Plan

 **WGEA** employer of choice

 **48%** Increase to lending to Sustainable Assets⁽³⁾

 **On Track** Emission reduction target by 2030⁽⁴⁾

 **Climate Active** carbon neutral organisation certification Received in 2021⁽⁵⁾

Refer to page 30 for detailed endnotes relating to this table.



Community support and involvement.

Delivering social impact through community partnerships, strong relationships and investing in local communities.

Sustainable development goals



\$2.2m

Invested into communities

9

Key partnerships

Why is this important?

BOQ Group's community investment program is built on strong, long-standing relationships with our community partners which creates deep engagement with our people.

Our partnerships operate at both a Group and grassroots level to support Australians through community empowerment, financial inclusion, funding research and community building in health, and empowering First Nations youth.

Connection to the community is an integral part of our identity, core to our customer-centric culture and supports our purpose of building social capital in both relationship and digital banking channels.

Local grassroots community investment

BOQ has a strong history of being embedded within the communities in which it operates, particularly through our Owner Managers - one of the unique elements of our model.

Our Owner Managers are part of the fabric of their communities. They live and work locally and support community organisations through donations and fundraising for grassroots and local charities while also supporting and engaging in our BOQ Group community partnerships.

This year, BOQ launched its new financial literacy activity, "Budget Like a Boss", which facilitates an introduction to budgeting and helps students to understand the basics and importance of money management. Financial education is an important element of our community partnerships with Stars Foundation and Clontarf Foundation.

Not only does this activity further develop our people's connection to their local communities through our partnerships, as a bank, we know that understanding finances is crucial to better financial outcomes and having this instilled from a young age can help students learn money lessons for life and develop good habits.

It was such a privilege to launch our new financial literacy activity in Townsville and educate First Nations students about the budgeting and spending choices they will have to make as they transition from school to adulthood.

We are looking forward to expanding on this program through our branches as they deliver these sessions to local students and continue to develop content that is relevant to young people to help the build confidence with money management.

Head Start Homes

Secure and affordable housing is crucial for the overall welfare of Australians. The desire for home ownership remains a common but increasingly difficult goal as it provides the assurance of stable housing and enduring social, health, and economic advantages.

In 2023 BOQ Group is proud to partner with [Head Start Homes \(HSH\)](#), an organisation which helps single parents, First Nations peoples and families living in community housing buy their own home. With our support, HSH is aiming to expand their services into Queensland, by providing access to practical financial products and free financial literacy empowerment services designed to support renters achieve their home-ownership dreams.

These services include budgeting tools and resources as well as a dedicated support person for one-to-one assistance throughout their entire home ownership journey.

Funding provided by BOQ has directly supported HSH to employ an additional indigenous member to the home ownership success team. Our support contributes to improving HSH's culturally sensitive approach with First Nations clients and allows for empowerment services to reach an additional 14 households and 42 individual beneficiaries across Queensland.



Orange Sky July

BOQ Group has been a proud fundraising partner of Orange Sky Australia (OSA) since 2019. Each year fundraising is activated through our Orange Sky July campaign and we also enable our customers to contribute to the cause through our SpendME orange debit card, which donates one cent from each tap of their digital wallet.

This year our people 'pedalled a little to help a load' with an exciting launch activation involving two bicycle powered washing machines. BOQ Group's Brisbane based teams got behind the cause, fundraising with their teams and committing to pedalling for 28 minutes or as long as it took to complete a load of washing. With support from our people and community, BOQ Group was able to donate \$155,000 to Orange Sky as a result of the month-long national campaign.

In addition to our internal and branch-led marketing, this year we leveraged our advertising relationships to secure \$370,000 worth of national media placements free of charge to raise the profile of Orange Sky and drive donations during the campaign.

With support from our people and community, BOQ Group was able to donate \$155k to Orange Sky as a result of the national campaign.

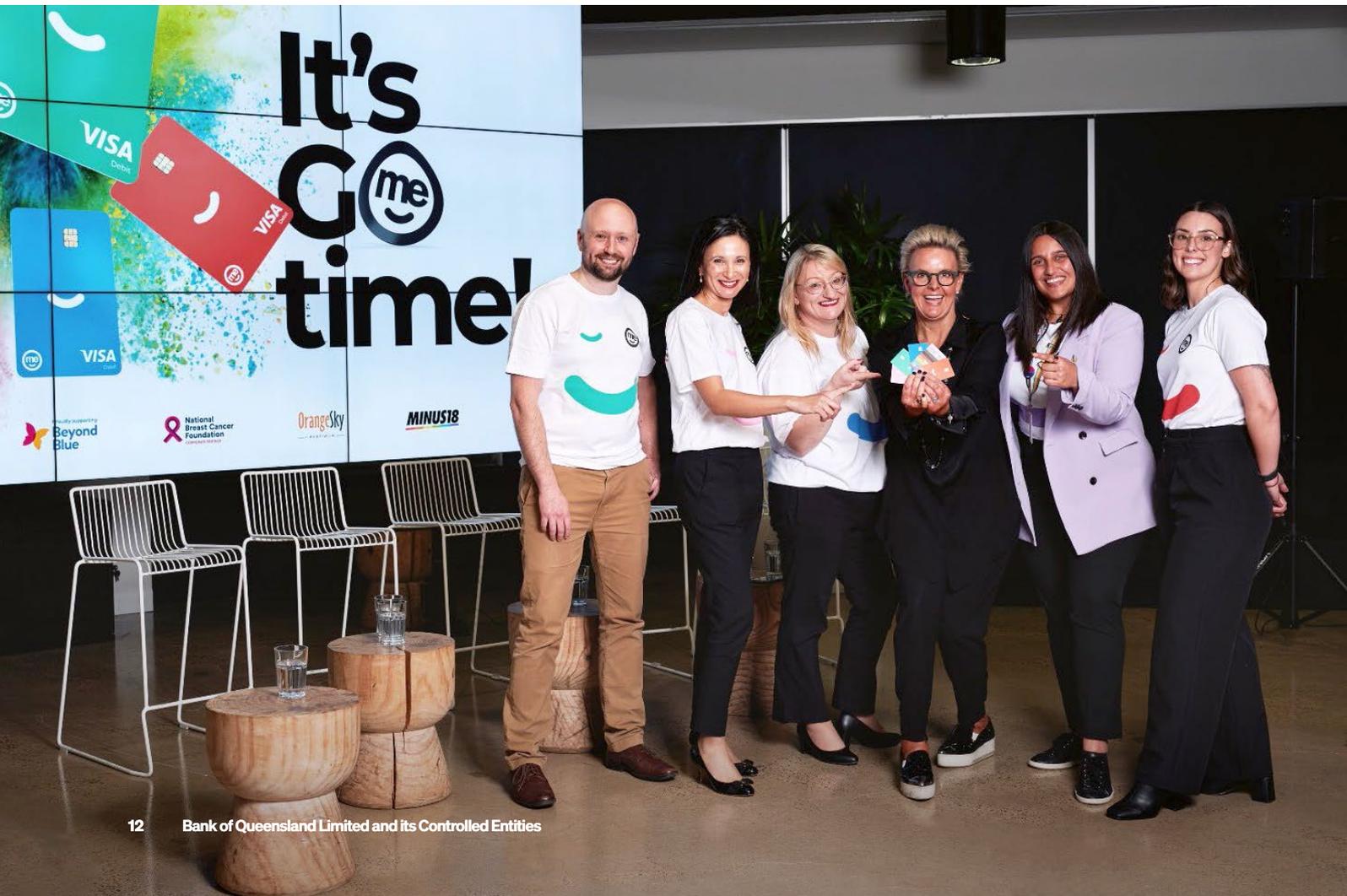




This year ME launched a new suite of charity-linked debit cards alongside ME's new digital app (ME Go) and bank accounts. In addition to ME's well-established and popular pink debit card linked to the National Breast Cancer Foundation (NBCF), ME has added four new charity-aligned debit cards. ME debit card customers can now choose to support one of five different charities and ME will donate 1 cent to a customer's charity of choice every time they tap with their digital wallet. This is all part of the bank's commitment to 'making money good', turning small change into big change.

“By extending our charity line-up, we also hope to magnify the social impact we can create alongside our customer care and community support programs.”

- Martine Jager, Chief People and Customer Officer



Community support and involvement

Accountability, governance, and workforce empowerment

Climate change, sustainable finance and environment

Performance measures

Independent auditor's report



Raised over \$2m
through partnership over 10 years

ME has been a proud sponsor of the National Breast Cancer Foundation (NBCF) for over 10 years through its Pink debit card and has donated over \$2 million for breast cancer research.

The NBCF is Australia's leading not-for-profit organisation funding world-class breast cancer research towards their vision of zero deaths from breast cancer.



On average, ME's partnership provides

25 loads of washing
28 hours of genuine, non-judgmental conversation and connection
each week

ME has partnered with Orange Sky Australia (OSA) to support people experiencing homelessness and hardship in the Central Melbourne area by providing access to a free mobile laundry van. The OSA service also provides a space for people in need to just sit, chat and connect.

ME's partnership has allowed OSA to expand services in the Central Melbourne area with the new van, affectionately called "Bluey." "Bluey" joins OSA's other Melbourne based van, "Monty," in providing with free laundry and shower services as well as providing a place for connection and conversation.



Supporting over **1.1m** LGBTQIA+ young people, parents, teachers and allies

Minus18 aims to change the lives of LGBTQIA+ youth in Australia. They are leading change, building social inclusion, and advocating for an Australia where all young people are safe, empowered, and surrounded by people that support them.

ME's rainbow debit card partnership with Minus18 supports access to education and resources to increase LGBTQIA+ knowledge in the community.



Supporting **24/7** mental health services

ME supports Beyond Blue to help all Australians achieve their best possible mental health. Beyond Blue has been providing support and services to people in Australia for 20 years. They are Australia's most well-known and visited mental health organisation, focused on supporting people affected by anxiety, depression and suicide.

ME's support will help keep Beyond Blue's 24/7 Support Service running so that every person in Australia has the opportunity to speak with a trained mental health professional, free of charge.



ME's partnership provides **12** wildlife cameras & **2** intern conservation biologists

ME has partnered with Australian Wildlife Conservancy to help deliver conservation outcomes that provide hope for Australia's wildlife and the habitats in which they live.

ME is proud to support 2023 interns, Benjamin and Emily as part of our partnership.



Benjamin Reay - Newhaven NT



Emily Simpson - North Head NSW



Accountability, governance, and workforce empowerment.

Sustainable development goals



Our purpose and values anchor an ethical culture with accountability at its core. We seek to support human rights, ethical decisions and vulnerable customers while championing diversity and inclusion.



Launched
2nd Innovate
Reconciliation
Action Plan

Why is this important?

In banking, trust is built on our unwavering commitment to accountability, transparency, corporate governance, and human rights.

These principles are integral to our daily operations, and we endeavour to maintain the highest standards. Fostering accountability within our team cultivates a strong risk culture, ensuring exceptional customer experiences that align with community and stakeholder expectations.

Accountability and transparency

We take accountability seriously at BOQ. Accountability is one of BOQ Group's core values. We recognise the need to build trust, respect and ethics into all aspects of our business and our relationships with stakeholders. We recognise that we have material improvements to make as a company.

FY23 was a challenging year for BOQ Group with identified weaknesses in our operational resilience and risk culture resulting in two Court Enforceable Undertakings (CEUs). We acknowledge that the CEUs have eroded trust that our stakeholders have in us. We are using the CEUs as a platform to address our risk management and compliance weaknesses. We have scoped and submitted Remedial Action Plans with our regulators to address the CEUs and are committed to this multi-year program of work.

We have taken accountability for these risk management and compliance weaknesses and have made consequence management decisions that are outlined in the FY23 remuneration report.

Aligned to our value of being Accountable, BOQ Group recognises the importance of the Banking Executive Accountability Regime (BEAR) which supports effective governance and a prudent risk culture at BOQ. It seeks to establish heightened standards of accountability amongst senior executives and directors and to drive improved governance across the BOQ Group.

During FY23, BOQ Group focused on optimising its BEAR governance model to better reflect BOQ Group's size and complexity. Notable achievements include designing a pathway to deliver an improved governance model with the goal of delivering clear end-to-end accountabilities that align with strategy, products and services. We aim to deliver a better overall customer experience and improved BEAR engagement model across BOQ Group and its brands to support a strong risk culture.

Corporate governance

The Board has overall responsibility for corporate governance and recognises the role it plays with respect to our shareholders, stakeholders, people and the industry generally. In FY23 the Board continued to oversee BOQ's cultural transformation program and has continued to monitor progress against key focus areas.

The Board remains focussed on enhancing BOQ Group's risk culture and governance framework. Further detail on the Group's corporate governance can be found in the FY23 Corporate Governance statement available on our website.

BOQ Group is committed to strengthening the bank and is undertaking Remedial Action Plans supported by specialists to improve our operational resilience, risk culture and AML/CTF compliance and capabilities. Complementing this plan is the investment in our strategic priorities to digitise and simplify the Group. Simplifying our technology and automating our processes are critical components of our transformation and the ultimate aim of the program is to continue to provide better outcomes for our customers, people and shareholders.

Remuneration

The BOQ Group responsibly remunerates its people and Owner Managers.

A key component of BOQ Group's FY23 remuneration framework is that all performance-based remuneration for Group Executives is delivered using deferred equity. Performance measures for executive variable remuneration include social and governance indicators such as customer advocacy, employee engagement, turnover, simplification and productivity enhancement, cultural transformation, strengthened risk and control environment and sustainable financial returns.

Following the introduction of APRA Prudential Standard CPS 511 that came into effect on 1 January 2023, our remuneration frameworks have been reviewed with changes taking effect on 1 September 2023, BOQ's first full financial year under CPS 511.

In FY24, BOQ's executive remuneration structure moves away from offering 100 per cent of variable remuneration in equity through Performance Shares and Premium Priced Options and reverts to a more traditional structure comprising fixed reward, short-term variable reward delivered partly in cash and partly in equity, and long-term variable reward delivered in equity.

Further information about FY23 remuneration and the changes to FY24 remuneration can be found in the FY23 Remuneration Report.

Human rights and modern slavery

BOQ Group recognises that it has an obligation to minimise incidents of slavery, slavery-like practices, human trafficking and other forms of modern slavery through its operations and supply chain. The Group is committed to protecting and respecting human rights and striving to remove modern slavery within its business practices, operations and supply chain.

BOQ Group published its inaugural Modern Slavery Policy in August 2023 to define and denounce modern slavery and confirm the Group's compliance with the Australian Modern Slavery Act 2018 (Cth). The policy has been supported by actions to:

- Map key suppliers against high-risk industries and countries.
- Identify specific contractual clauses to hold our supply chain accountable.
- Implement an ongoing supplier monitoring framework.
- Promote awareness across BOQ Group of modern slavery and mitigating controls to minimise the risk of occurrence across the Group operations and supply chain.
- Support our commitment to continually improve BOQ Group's approach, capability and practices to identify and action risks of modern slavery should they be found.

Furthermore, the Group submitted its third Modern Slavery Statement with the Australian Border Force in February 2023 which further acknowledges that the decisions, operations and sourcing of suppliers can increase the risk of modern slavery and commits to addressing this risk at BOQ Group.

BOQ Group is committed to acting ethically and with integrity in all business dealings and practices and all BOQ personnel are encouraged to raise any concerns about likely modern slavery breaches at the earliest possible stage.

BOQ Group Customer Advocate

The BOQ Group has an active Office of the Customer Advocate (CAO). The team act as an independent advocate for customers within the organisation to ensure that the customer voice is heard and understood. The CAO operates in an oversight and advice capacity to support and challenge the Bank in making better decisions to ensure processes, products and practices remain fair for our customers.

The Customer Advocate has a particular focus on:

- Facilitating fair customer outcomes with a focus on making things easier.
- Identifying opportunities to improve the Bank's products, services, systems and processes.
- Advocacy and insights to deliver fairness for customers that align with community expectations.
- Supporting customers experiencing vulnerability.
- Working closely with consumer advocates and community organisations.

BOQ's response to customers experiencing vulnerability (as described by the Banking Code of Practice) is a primary area of focus for the Customer Advocate, who provided support on 430 individual customer matters in FY23, 94 per cent of which related to customers experiencing vulnerability.

In FY23 the CAO provided advice, support and input on 372 matters relating to BOQ's processes, products, systems and policies that affect customers, with a focus on accessibility and fairness.

More information on BOQ Group's customer advocate and contact information is available on our [website](#).

FY23 Highlights | Office of the Customer Advocate (CAO)

- Completed thematic gap analysis of BOQ Group's approach to supporting customers experiencing vulnerability and problem gambling.
- Delivered new and uplifted existing processes, procedures, employee training and customer support materials relating to customers experiencing elder financial abuse and loss of decision-making capacity.
- Delivered additional support, processes and procedures aimed at improving outcomes for customers experiencing intimate partner violence and vulnerability.
- Formed close partnerships with consumer advocates, community service organisations and financial counsellors to center the voices of people with lived experience of vulnerability in our practice.
- Conducted hindsight reviews of customer complaints resolved through our front-line and customer relations teams aimed at ensuring the bank makes it right when things go wrong.
- Delivered crucial support for customers who cannot sign their name and customers who do not hold traditional forms of identification, such as remote and regional customers.
- Introduced revised terms and conditions to products and services aimed at addressing technologically facilitated abuse.
- Supported the development of industry initiatives aimed at improving customer outcomes through the Australian Banking Association's (ABA) Consumer Outcomes Group.
- Delivered several initiatives aimed at improving the accessibility of BOQ both in branch and via our digital platforms.
- Developed numerous improvements aimed at improving relationships with and outcomes for financial counsellors that support BOQ Group customers in times of financial hardship.
- Successfully recruited an accredited financial counsellor into the position of Customer Outcomes Lead.



Diversity and inclusion

The Group has a vision to be a safe and inclusive organisation that taps the collective genius of diverse talent to improve outcomes for our people, customers, communities and shareholders. The Group strives to ensure a purpose-led, inclusive and empathetic culture where our people feel confident to bring themselves to work every day. We embrace difference and believe that our workforce should reflect the customers and communities that we serve.

Our inclusion strategy aims to harness inclusive behaviours that will foster a diverse workplace culture and enhance employee experience. Our employee affinity networks continue to drive focus on gender equality, First Nations reconciliation, LGBTQIA+, multicultural communities and early career talent.

During the year this was brought to life by launching a new range of group-wide inclusion resources including a gender affirmation, inclusive language, cultural protocols and pronouns guides to build staff understanding. In addition, three new inclusive leave types were introduced being gender affirmation, First Nations cultural leave and religious and cultural leave.

BOQ Group actively participated in the Pride in Diversity and Australian Workplace Equality Index (**AWEI**) initiatives and was successful in achieving AWEI Bronze Accreditation. This accreditation exemplifies our dedication to creating an inclusive environment for all employees. Our commitment to LGBTQIA+ inclusion has been demonstrated by our ongoing sponsorship of the Melbourne Queer Film Festival, internal educational events for Wear It Purple Day with funds raised for Minus18 and all-gendered bathrooms in our major support centres.

Gender equality

BOQ Group aims to build a gender balanced workforce and a safe and inclusive culture where everyone, regardless of gender, can achieve their full potential and deliver great outcomes. To deliver this, focus has remained on driving gender equality through closely managing the talent pipeline, reviewing and removing barriers impacting women's career and development opportunities and elevating leader metrics and accountability.

This year, the Group has curated several events across the business leveraging internal and external leaders who shared their best advice for aspiring bankers and financial success. The Group were also proud to receive an incredible five nominations in the 2023 Women in Banking and Finance Awards, across three categories being Retail Banking, Small Business Banking and Business Banking.

In 2023, BOQ was recognised for the second time as an employer of choice for gender equality through the Workplace Gender Equality Agency (**WGEA**). A full copy of the 2023 compliance report is available on our website.

Despite the continued focus and measurement of gender equality, the overall representation of women in leadership in FY23 dropped to 37 per cent (one per cent decrease since FY22). The BOQ Group Board has met its gender diversity target. The representation of women in the Group Executive Team is 25 per cent.

First Nations reconciliation

BOQ Group proudly launched its second Innovate Reconciliation Action Plan (**RAP**) in April 2023 to ensure that all appropriate actions have been captured under our newly integrated group model. The plan outlines the actions the Group will take to achieve the vision of 'an Australia in which First Nations peoples have infinite opportunity and prosperity'. The RAP focuses on developing and strengthening relationships with Aboriginal and Torres Strait Islander peoples, engaging staff and stakeholders in reconciliation and developing innovative strategies to empower Aboriginal and Torres Strait Islander peoples.

This is reflected in our continued partnerships with the Clontarf Foundation (since 2017), Stars Foundation (since 2019), Supply Nation and our sponsorship of the business category in the Queensland Reconciliation Awards (since 2021). The Group's support of the CareerTrackers intern program has seen 29 students supported with internships and three graduates now permanently employed in their chosen business areas.

This year, the Group developed a tailored financial literacy program with and for Aboriginal and Torres Strait Islander peoples and communities. This program has been implemented with BOQ's First Nations community partners and has reached over 50 students so far.

The Group was also proud to host and participate in celebratory events associated with National Reconciliation Week and National Aborigines and Islanders Day Observance Committee (**NAIDOC**) across the business which were well attended and received very positive feedback from employees. Throughout the year, internal cultural protocols and processes were also enhanced with increased learning resources and training sessions.

All BOQ Group offices and branches proudly display a customised Acknowledgment of Country plaque to recognise the lands of the Traditional Owners.

During FY23 we encouraged all our people in the BOQ Group to engage with the Voice to Parliament, to understand perspectives different to their own, and above all to be respectful. We actively provided factual information to support our people to make informed decisions.



Kutaw Zoeru cultural dance and song group from Boigu Island in the Torres Strait performed at the Brisbane office to celebrate the launch of the BOQ Group's second Innovate Reconciliation Action Plan.

Customer profile: Iconic Whitsunday adventures

BOQ is building social capital through banking with customers Nicole and Jeremy Graham, by supporting their growing eco-tourism business, Iconic Whitsunday Adventures. The parent company specialises in four unique small group tours visiting iconic destinations across the Whitsundays. It was born out of their first experience, Sundowner Cruises, which was launched 17 years ago. Nicole and Jeremy told us that their previous bank left them frustrated during COVID-19, with a lack of customer service as they tried to pivot their business to cater for the domestic market, whilst making sure they were ready to handle demand when international borders reopened. Thinking only major banks could support with loans for their marine vessels, they were relieved when they met with Melissa Egan, Owner Business Specialist of BOQ Mackay City, who reassured them about how the bank could help. Thanks to BOQ, Iconic Whitsunday Adventures has continued to grow, launching their latest Viper tour in July of this year, and now setting their sights on Viper 2.0.

“If we were to go with another bank, I know we wouldn’t have gotten the support we needed to grow our business to where it is today. We can’t speak more highly of the BOQ Mackay City team, who to say have gone above and beyond for us would be an understatement.”

- Nicole Graham, BOQ customer





Climate change, sustainable finance and environment.

Sustainable development goals



Addressing climate change and promoting environmental sustainability, while actively embracing the prospects of a low-carbon future.



Launched AWC conservation and biodiversity partnership

84%
Renewable electricity - 100% target by 2025

Why is this important?

The imperative for climate action is reinforced by visible impacts on our stakeholders.

Our current efforts in reducing our operational footprint and managing lending risks contribute to minimising future climate effects on liveability, economic resilience, and natural capital. We support the shift to a low-carbon economy through customer and supplier engagement.

We are committed to lowering our own operational greenhouse gas emissions.

For further details on our strategies for addressing climate change risks, please refer to our 2023 Annual Report.

Climate change

Climate change poses a threat to our company, our customers, and the broader Australian economy, society, and environment. We acknowledge scientific consensus that human activities have led to significant and rapid warming of the atmosphere, oceans, and land. We also recognise that the future impacts of climate change are expected to be variable but severe, necessitating BOQ Group taking proactive measures.

We support acting on climate change and the transition to a net zero carbon economy. We acknowledge the importance of the Paris Agreement goals of keeping global warming well below two degrees Celcius, and striving to limit warming to 1.5 degrees Celcius above pre-industrial levels

As a proud member of regional communities throughout Australia, the BOQ Group acknowledges the economic reliance of many customers on carbon-intensive industries. Consequently, we understand our responsibility in assisting customers as they navigate the transition towards a more sustainable, lower-carbon economy.

Our operational carbon neutrality is maintained through participating in the Australian Government Climate Active certification program⁽¹⁾.

While we believe in accredited carbon offsetting activities leading to verified greenhouse gas avoidance and sequestration, our commitment extends to actively reducing our own operational carbon footprint. We have therefore adopted a series of operational emissions and other targets, outlined in this section, to contribute to the Paris Agreement temperature goals.

BOQ Group has committed to reduce organisational scope 1 and 2 emissions by 90 per cent and organisational supply chain scope 3 emissions by 40 per cent by 2030 compared to our 2020 baseline. In FY23 we progressed by achieving a 21 per cent reduction in total operational emissions resulting from our renewable energy and supplier engagement programs⁽²⁾.

BOQ's climate related governance, risk management and strategy processes are outlined in the FY23 Annual Report. We recognise that we are in the initial phases of our climate risk management and disclosure reporting journey and are committed to advancing our approach in the future.

Emission target

90% Reduction in scope 1 and 2 by 2030

40% Reduction in scope 3 by 2030

Renewable energy target

100% by 2025

Fossil fuels target⁽³⁾

\$0 Lending in 2024

Progress

81% On track

41% Target achieved

84% On track

\$4.6m On track

BOQ Group purchases carbon offsets from accredited projects.

Projects supported in Australia include human-induced regeneration of native forests in Queensland accredited under the Australian Carbon Credit Units (ACCU) Scheme. These projects create revenue for landowners, balancing livestock production with ecological health and support a range of environmental co-benefits including feral animal controls, noxious weed management, erosion control and artesian water management initiatives. We select projects with 100-year permanence obligations minimising the risk of benefits reversal from future man-made or natural events.

Emission reduction activities supported in India and China harness wind electricity generation. These projects are accredited under the UNFCCC Clean Development Mechanism and create verified Certified Emission Reduction (CER) certificates.

(1) BOQ Group's Climate Active certification includes operations from BOQ Retail (including branches), ME, Virgin Money Australia, BOQ Business, BOQ Finance, and BOQ Specialist.

(2) 21 per cent FY23 reduction relates to FY22 emissions as calculated for the BOQ Climate Active certification.

(3) BOQ Group has committed to cease funding equipment directly involved in the extraction of fossil fuels in 2024. BOQ's total exposure at 31 August 2023 to equipment directly involved in the extraction of fossil fuels is 0.006 per cent of total GLAs.

BOQ Group utilises the described Australian ACCU carbon offsets for Scope 1 and Scope 2 emissions, while international CER offsets are used for supply chain Scope 3 emissions.

Full details on the projects supported by the BOQ Group carbon neutral certification are outlined on the Climate Active website.

Sustainable operations

BOQ Group seeks to reduce its environmental footprint while actively pursuing opportunities to contribute to a more sustainable future.

Across our operations we are introducing new initiatives, such as electric and hybrid vehicles into our fleet and implementing a commitment to source 100 per cent of our electricity needs from renewable sources by 2025.

Through preferencing zero and low emissions vehicles we avoided the consumption of more than 10,000 litres of fuel this year. This fuel-saving is equivalent to driving around the mainland of Australia more than nine times.

We utilise 100 per cent certified GreenPower renewable energy at all sites where the Group can choose its energy supplier and additionally operate our Brisbane, Sydney and Melbourne major support centres on independently sourced renewable energy attribute certificates. In 2023 renewable energy supplied 84 per cent of BOQ Group's electricity needs.

BOQ Group purchases renewable energy attribute certificates from accredited projects that are carefully aligned with our values. In 2023 these were supplied from large scale solar systems installed on commercial property - aligning with our property and commercial lending profile.

In 2023 we continued the implementation of our Supplier Code of Conduct and expanded climate engagement with our suppliers has delivered a 17 per cent reduction in supply chain Scope 3 emissions.

The BOQ Group seeks to deploy sustainability principles into its major support centres. Our Brisbane and Melbourne support centres achieve a minimum 5 Star NABERS base building energy rating and are equipped with recycling services to maximize our contribution to the circular economy.

In 2023, the Group expanded our digital electronic signature program, encompassing both banking and support service operations. The adoption of digital signing technologies has yielded significant improvements in customer outcomes and turn around times, while also reducing our reliance on paper. The program has resulted in a 270 per cent increase in the utilisation of digital signatures for equipment finance, mortgage refinance, and corporate operations, and is estimated to result in the conservation of 2.1 million pages of paper and the reduction of over 1,400 tonnes of greenhouse gas emissions⁽¹⁾.

Electric vehicle early adopter

Early adopters play a pivotal role in the successful integration of electric vehicles (EVs) into fleet use in Australia. Their enthusiasm for EVs helps create a positive perception and encourages others to follow suit. In 2023, BOQ Group worked with several mobile bankers to be our EV trailblazers providing valuable feedback and aiding in the development of processes and support mechanisms necessary to meet our emission abatement goals. The support of these trailblazers fosters a culture of sustainability, reducing carbon emissions and dependence on fossil fuels in the fleet industry.

Based in the Gold Coast and Northern NSW region, ME Business Development Manager, Duane Wilson has been **Spirited** in his support of the EV deployment program.

During the past twelve months, Duane travelled over 18,000 kms, more than the distance around mainland Australia.

During this time, Duane supported over \$375 million in broker applications and saved more than 3.5 tonnes of greenhouse gas emissions - more than half the annual emissions associated with electricity and natural gas consumed by a single average Australian dwelling⁽²⁾.

With support from **Curious** trailblazers like Duane, BOQ Group can do its part in the transformative shift towards a greener and more sustainable transportation future in Australia.



(1) Estimates based on the number of documents sent between 1 September 2022 and 31 August 2023 with an average number of pages per BOQ Group division type each with three recipients (sender, signer, archive). Environmental impact estimates were supplied to BOQ Group from our digital signing vendor using the [Environmental Paper Network Paper Calculator Version 4.0](#). Environmental impact estimates presented are provided solely for illustration and informational purposes. These estimates have not been used in BOQ Group Climate Active carbon neutral certification.

(2) Greenhouse gas emission savings are based on the average fuel consumption of BOQ's traditional internal combustion fleet. Greenhouse gas emissions of the average Australian dwelling is based on electricity and natural consumption in the residential sector as reported by ABS 2022.

“Demand for electric vehicle financing, among other energy-efficient assets has really taken off. It’s great to be able to support our customers in helping the planet as well as lowering their operating costs.”

- Stephen Reidy, BOQ Finance Chief Operating Officer

Sustainable finance

BOQ Group offers a diverse range of financing options tailored to support sustainable activities and initiatives across our BOQB, BOQF and BOQS suite of products.

Through BOQF, customers can finance a range of energy-efficient assets including renewable energy and batteries and management systems, electrified public transport, and zero tailpipe emission passenger or commercial vehicles with supporting dedicated charging.

Consumers are increasingly recognising the benefits of electric vehicles and favouring them when seeking new vehicles. In 2023 BOQF has increased lending to Sustainable Assets⁽¹⁾ including electric vehicles by more than 365 per cent⁽²⁾.

As part of the existing BOQS asset finance suite of products, customers are offered competitive interest rates to acquire electric vehicles and install renewable and supporting technologies at specialist practice premises.

The BOQB suite of corporate lending services includes funding for various sustainable endeavours, including the establishment and operation of recycling facilities, as well as the creation of new commercial infrastructure or property assets boasting impressive environmental credentials, such as NABERS and Green Star ratings.

As at 31 August 2023, our lending to Sustainable Assets was \$279 million⁽³⁾.

Lending emissions and lending to fossil fuels

BOQ Group acknowledges the significance of quantifying emissions associated with financing activities as a crucial aspect of managing climate-related challenges and prospects.

In FY23 the carbon intensity of the loan book was 0.03kg of CO₂-e per \$1 loaned.

BOQ Group's lending portfolio has no exposure to fossil fuel power generation and minimal exposure to equipment directly used in the extraction of fossil fuels.

Since 2018 the Group has made a commitment to no further financing of equipment directly involved in the extraction of fossil fuels. As at 31 August 2023, our exposure was \$4.60 million, representing 0.006 per cent of lending and we are on track to cease funding equipment directly involved in the extraction of fossil fuels in 2024.

(1) Refer to Sustainability balanced scorecard Endnotes (5) page 30.

(2) 365 per cent FY23 increase relates to FY22 total on-balance sheet financing of renewable electricity generation assets; renewable energy distribution, control and storage systems (i.e. batteries); electric public transport vehicles and related infrastructure; zero tailpipe emission passenger or commercial vehicles and related infrastructure, identified based on the use of proceeds defined at origination of the financing.

(3) Refer to page 32 for detailed endnotes relating to our estimation of financed emissions.

Sustainability lending policies

At BOQ we understand that the Earth's resources, such as clean air, water, and biodiversity, provide essential benefits to humans and the economy.

Our commercial lending activities have limited exposure to industries with the worst impact on natural capital such as fossil fuels, mining, and industries associated with excessive water consumption and pollution such as chemicals and textiles.

Through our Ecological Care and Sustainability Lending Policy, our standard processes require us to work closely with business customers to understand their businesses. Where a potential material environmental, land contamination or animal welfare risk is identified we require additional assessments to be completed.

Throughout this process we work closely with customers and potential customers to understand how they can manage sustainability risks and reduce their impact.

We are mindful of the industries we assist through our lending including those involved with animals (including their treatment, production, breeding, transport or housing). BOQ Group is committed to aligning its lending practises with the World Organisation for Animal Health five animal welfare freedoms and their general principles of animal welfare. In engaging with our agribusiness customers our lenders undertake reasonable enquiries⁽¹⁾ to ensure the treatment of animals is in accordance with the five freedoms of animal welfare.

We regularly monitor emerging environmental, animal welfare and natural capital concerns and will continue to evolve our activities accordingly.

Supporting biodiversity

BOQ Group through our SpendME charity debit card partnership with Australian Wildlife Conservancy (AWC) aims to contribute to positive conservation results, offering a beacon of hope for Australia's wildlife and their native habitats.

Established in 1991, AWC has since grown to become the largest private owner and manager of land for conservation in Australia, delivering and influencing effective conservation across more than 12.9 million hectares across sanctuaries and partnership sites in iconic regions of Australia.

BOQ Group believes that supporting the AWC is crucial for safeguarding Australia's unique biodiversity. AWC's dedicated efforts protect endangered species and their habitats, combating threats like habitat loss and invasive species.

Through the ME partnership, BOQ Group supports two intern conservation biologists who receive hands-on training in fieldwork and animal handling, contributing to tangible conservation achievements, and camera traps used in biodiversity monitoring.

By supporting AWC, BOQ Group has contributed to the preservation of iconic wildlife like the eastern pygmy possum, brush-tailed bettong, greater bilby and numbat. Additionally, AWC's research and conservation programs not only benefit Australia's natural heritage but also enhances our understanding of global ecology.



(1) To the extent appropriate to the borrower's individual circumstances.

Non-financial performance measures 2023.

Metric	2023
Percentage of employees who have completed mandatory training ⁽¹⁾	97.5%
NPS ranking for Retail and SME customers ⁽²⁾	Retail: BOQ-4th; ME-joint 9th SME: Micro-joint 5th; Small-3rd; Medium-6th
Overall Retail NPS ⁽³⁾	BOQ: +20; ME: +11
Mortgage NPS score ⁽⁴⁾	BOQ: +2; ME: -4
Mortgage NPS rank ⁽⁴⁾	BOQ: joint 3rd; ME: 5th
SME customer NPS score ⁽²⁾	BOQ Overall Business SME: +1 Micro: -1; Small: +10; Medium: +8
SME customer NPS ranking ⁽²⁾	BOQ Overall Business SME: joint 5th Micro: joint 5th; Small: 3rd; Medium: 6th
Total customers ('000) ⁽⁵⁾	1,401
BOQ (inc BOQB)	627
VMA	316
BOQS	34
BOQF	77
ME	347
Number of customers actively using internet banking ('000) ⁽⁶⁾	333
Number of customers actively using mobile banking ('000) ⁽⁶⁾	476
Product application submissions received via website (year-on-year change) ⁽⁷⁾	64%
Total fans / followers across social media channels ⁽⁸⁾	261,698
Number of branches ⁽⁹⁾	147
Number of Owner Managed branches	116
Number of Owner Managers ⁽¹⁰⁾	150
Number of Corporate branches	22
Number of Transaction Centres	9
Number of ATMs	143 BOQ; 2,113 atm/allpoint
Customer complaints (year-on-year % change)	5%
Percentage of complaints resolved within five business days	83%
Customer complaints referred to external dispute resolution (year-on-year % change)	55%
Number of financial difficulty applications approved ⁽¹¹⁾	3,694

Refer to page 31 for detailed endnotes relating to this table.

2022	2021	2020	2019
96.7%	95.5%	94.5%	93.3%
Retail: BOQ-3rd; ME-joint 5th SME: Micro-4th; Small-5th; Medium-4th	Retail: 3rd SME: Micro-4th; Small-2nd; Medium-6th	Retail: 3rd SME: Micro-3rd; Small-3rd; Medium-3rd	Retail: 5th BOQ Overall Business SME: joint 4th
BOQ: +21; ME: +17	+23	17	3
BOQ: +3; ME: +1	+4	-2	-20
BOQ: 5th; ME: 6th	=4th	5th	11th
BOQ Overall Business SME: 0 Micro: +1; Small: -5; Medium: +5	BOQ Overall Business SME: +8 Micro: +8; Small: +5; Medium: +4	BOQ Overall Business SME: +6 Micro: +8; Small: 0; Medium: +2	BOQ Overall Business SME: -3 Micro: -5; Small: +10; Medium: +1
BOQ Overall Business SME: 4th Micro: 4th; Small: 5th; Medium: 4th	BOQ Overall Business SME: 3rd Micro-4th; Small-2nd; Medium-6th	BOQ Overall Business SME: 3rd Micro: 3rd; Small: 3rd; Medium: 3rd	BOQ Overall Business SME: joint 4th
1,269	1,470	896	912
575	572	573	576
236	195	202	216
34	35	35	34
77	87	86	86
347	581		
336	220	222	222
455	205	198	190
183%	-23.60%	-1.8%	130.08%
245,917	134,982	122,400	113,000
154	163	165	167
111	103	95	95
138	130	119	122
36	53	63	65
7	7	7	7
225 BOQ; 2,156 atm/allpoint	569 BOQ; 765 rediATM	566 BOQ; 993 rediATM	571 BOQ; 1,604 rediATM
69%	73%	51%	55%
84%	90%	78%	76%
13%	-6%	-11%	7%
3,436	3,199	2,240	2,592

Non-financial performance measures 2023 (continued)

Metric	2023
Employee engagement score ⁽¹²⁾	65%
Percentage of women on Board ⁽¹³⁾	57%
Percentage of women on the Executive Team	25%
Percentage of women in senior leadership ⁽¹⁴⁾	36%
Percentage of women in leadership ⁽¹⁵⁾	37%
Employee numbers ⁽¹⁶⁾	3,511
Employee numbers excluding contractors	3,376
Franchise network employees	959
Percentage of workforce full time ⁽¹⁷⁾	89%
Percentage of workforce part time ⁽¹⁷⁾	8%
Percentage of workforce casual ⁽¹⁷⁾	1%
Percentage of Max Term contractors ⁽¹⁷⁾	3%
Percentage of women in the workforce ⁽¹⁷⁾	51%
Casual female/male/non-binary or undeclared headcount ⁽¹⁷⁾	4/16/0
Maximum term full time female/male/non-binary or undeclared headcount ⁽¹⁷⁾	44/32/2
Maximum term part time female/male/non-binary or undeclared headcount ⁽¹⁷⁾	14/3/0
Permanent full time female/male/non-binary or undeclared headcount ⁽¹⁷⁾	1,415/1,580/3
Permanent part time female/male/non-binary or undeclared headcount ⁽¹⁷⁾	231/31/1
Percentage of employees over 55	10%
Average tenure (years)	5.1 years
Average days absenteeism per employee per year (excludes OMBs)	7.5 days
Voluntary turnover (excludes OMBs, contractors)	19.0%
WH&S incidents reported within 24 hours and investigated within 48 hours	79%/57%
Lost time injury (number of incidents) ⁽¹⁸⁾	3
Employees under an enterprise bargaining agreement ⁽¹⁷⁾	3,086 (91.4%)

Refer to page 31 for detailed endnotes relating to this table.

People

2022	2021	2020	2019
67%	64%	59%	56%
50%	37.5%	37.5%	25%
40%	44%	43%	43%
37%	39%	35%	36%
38%	38%	38%	40%
3,500	2,760	2,444	2,495
3,295	2,488	2,320	2,387
908	833	747	749
88%	80%	79%	77%
9%	11%	12%	12%
1%	4%	5%	5%
2%	4%	4%	7%
52%	57%	59%	59%
21/9/0	55/17/-	65/26/-	41/26/-
34/26/1	72/62/-	52/39/-	42/40/-
9/2/0	9/3/-	17/8/-	14/9/-
1,390/1,495/2	1,053/960/-	997/867/-	1,054/896/-
266/15/0	236/21/-	227/20/-	242/23/-
11%	16%	13%	11%
5.2 years	4.33 years	4.70 years	4.62 years
7.0 days	4.0 days	4.4 days	5.4 days
26.5%	19.90%	15.30%	17.10%
78%/57%	72%/58%	85% / 96%	92% / 99%
6	2	8	3
1,580 (48.0%)	861 (34.6%)	841 (36.3%)	823 (34.5%)

Non-financial performance measures 2023 (continued)

Metric	2023
Total community investment ('000) ⁽¹⁹⁾	\$2,189
Support for homelessness ('000)	\$339
Support for education ('000)	\$380
Support for health ('000)	\$763
Support for other causes \$'000)	\$246
Dollar matching ('000)	\$34
Other costs ('000)	\$427
Money donated through Workplace Giving program ('000)	\$28
BOQ growth in housing and commercial GLAs relative to comparable authorised deposit taking institutions ⁽²⁰⁾	Housing: Negative Commercial: 0.3x system
Cash earnings per share (Cash EPS) and Change in Cash EPS (%) ⁽²¹⁾	68.4 cps (-10% from FY22)
Growth in home lending ⁽²²⁾	Home: -1%
Growth in commercial lending ⁽²²⁾	Commercial: 2%
Number of significant notifiable cyber security or privacy breaches resulting in public disclosure of data ⁽²³⁾	Nil
Percentage of Tier 1 suppliers with ISO27001 or SOC2 certification ⁽²⁴⁾	95% (19 of 20 Tier 1 suppliers - other supplier has valid ASAE 3150 report)

Refer to page 31 for detailed endnotes relating to this table.

Community

Finance

Technology & Data

2022	2021	2020	2019
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\$1,592	\$867	\$841	\$471
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\$166	\$197	\$267	-
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\$242	\$313	\$210	\$315
-------	-------	-------	-------

\$638	\$50	\$131	\$70
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\$285	\$40	\$51	\$30
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\$25	\$19	\$27	\$42
------	------	------	------

\$236	\$248	\$156	-
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\$23	\$1	\$30	\$15
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Housing: 1.0x system Commercial: 0.7x system	Housing: 1.7x system Commercial: 0.8x system	Housing: 0.9x system Commercial: Positive to system, which is negative for both	Housing: 0.2x system Commercial: 1.2x system
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75.8 cps (+1% from FY21)	74.7 cps (+51% from FY20)	49.6 cps (-36% from FY19)	77.0 cps (-16% from FY18)
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Home: 7%	Home: 9%	Home: 2%	Home: 0.5%
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Commercial: 11%	Commercial: 4%	Commercial: 3%	Commercial: 1%
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Nil	Nil	Nil	Nil
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98%	79%	75%	-
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Non-financial performance measures 2023 (continued)

Metric	2023
Carbon neutral accreditation	Reduction targets on track - Climate Active carbon neutral accreditation maintained
Total lending to Sustainable Assets ⁽²⁵⁾	\$279.08m
Percentage use of renewable electricity (%)	84%
Exposure to fossil fuel extraction equipment (target nil exposure in 2024) ⁽²⁶⁾	\$4.60m
Organisational carbon footprint (tonnes CO2-e) ⁽²⁷⁾	30,201
Scope 1 Emissions (tonnes CO2-e) ⁽²⁸⁾	399
Scope 2 Emissions - electricity (market based) (tonnes CO2-e) ⁽²⁹⁾	803
Scope 2 Emissions - electricity (location based) (tonnes CO2-e) ⁽³⁰⁾	4,351
Scope 3 Emissions - Total (tonnes CO2-e) ⁽³¹⁾	28,999
Scope 3 Category 1: Purchased Goods and Services (tonnes CO2-e) ⁽³²⁾	21,137
Scope 3 Category 2: Capital Goods (tonnes CO2-e) ⁽³²⁾	2,993
Scope 3 Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2 (tonnes CO2-e) ⁽³²⁾	204
Scope 3 Category 4: Upstream Transportation and Distribution (tonnes CO2-e) ⁽³²⁾	-
Scope 3 Category 5: Waste Generated in Operations (tonnes CO2-e) ⁽³²⁾	1,354
Scope 3 Category 6: Business Travel (tonnes CO2-e) ⁽³²⁾	1,306
Scope 3 Category 7: Employee Commuting (tonnes CO2-e) ⁽³²⁾	2,005
Scope 3 Category 8: Upstream Leased Assets (tonnes CO2-e) ⁽³²⁾	-
Scope 3 Category 9: Downstream Transportation and Distribution (tonnes CO2-e) ⁽³²⁾	-
Greenhouse gas intensity of lending (kg CO2e / \$m GLA) ⁽³³⁾	0.03
Energy usage - purchased electricity (GJ) ⁽³⁴⁾	21,727
Fuel consumption for work vehicles (kL) ⁽³⁵⁾	169
Air travel ('000 kms)	5,491
Paper usage (reams)	20,144

Refer to page 31 for detailed endnotes relating to this table.

2022	2021	2020	2019
Climate Active carbon neutral accreditation complete - reduction targets set	Climate Active carbon neutral accreditation complete	Accreditation in train	-
\$188.77m \$5.5m issued under CEFC - program concluded	\$7.54m	\$8.4m	\$240k
Program underway 54% renewable	Renewable energy strategy endorsed	In progress	-
\$9.13m	\$12.7m	~\$16m	~\$31m
38,045	46,908	55,089	-
423	429	558	-
2,597	4,583	5,769	-
4,976	4,583	5,769	-
35,025	41,896	48,762	-
22,493	25,010	27,726	-
6,418	11,191	12,495	-
307	552	675	-
-	-	-	-
1,315	916	475	-
981	1,234	2,875	-
3,511	2,993	4,516	-
-	-	-	-
-	-	-	-
0.03	-	-	-
22,467	21,327	26,330	18,368
177	178	236	121
4,730	5,133	6,967	12,510
24,064	28,782	30,219	36,314

Endnotes: Sustainability balanced scorecard and 2023 highlights from pages 8-9.

Sustainability balanced scorecard

- (1) Any instance of unauthorised access to a customer's personal information in a BOQ Group system that was determined as reportable by the Breach Review Committee to APRA or the OAIC, that is also significant and resulted in disclosure of that personal information to the public.
- (2) Retail Net Promoter Score (**NPS**) ranking for BOQ Retail and ME refers to relative Main Financial Institution (**MFI**) NPS performance overall by brand in comparison to an agreed competitor set of ING, Bendigo Bank, Suncorp, St. George, BankWest, Macquarie, CBA, ANZ, NAB and Westpac.
- Retail NPS benchmarking research is conducted by RFI Global (third-party research provider). Results are based on a six-month rolling average of consumer responses, where they identify BOQ Retail or ME as their MFI.
- BOQ Business SME customer NPS ranking refers to relative Any Financial Relationship (**AFR**) NPS performance in comparison to an agreed competitor set of ING, Bendigo Bank, Suncorp, St. George, BankWest, Macquarie, CBA, ANZ, NAB and Westpac. Business SME Customers are defined as those with a business turnover up to \$40m.
- Business SME customer NPS benchmarking research is conducted by RFI Global (third-party research provider). Results are calculated based on a twelve-month rolling average of Business SME Customer responses for AFR.
- For Business SME Customer NPS benchmarking, business customer segments are defined by business turnover. Micro is defined as businesses with a turnover of up to \$1m, Small is defined as businesses with a turnover of \$1m - <\$5m, and Medium is defined as businesses with a turnover of \$5m - <\$40m (reported from 2019 onwards).
- Competitors utilised for NPS benchmarking are periodically reviewed and were most recently updated in 2020 to provide relevant industry comparison.
- (3) Percentage of employees who have completed the mandatory compliance learning modules required for a role as specified in the BOQ Group employee matrix or are within 30 days from their start date or enrolment date for refresher training.
- Includes BOQ Group employees, contractors (excluding third-party contractors), and Owner Managed Branch employees but excludes those on long-term leave.
- (4) BOQ Group has committed to maintain operational carbon neutrality via organisation certification with the Australian Government Climate Active program. BOQ Group has committed to reduce Scope 1 and 2 emissions by 90 per cent and organisational supply chain Scope 3 emissions by 40 per cent by 2030 compared to 2020 baseline.
- (5) Lending to Sustainable Assets consists of:
- (a) Total gross on-balance sheet financing of renewable electricity generation assets; renewable energy distribution, control and storage systems (i.e. batteries); electric public transport vehicles and related infrastructure; zero tailpipe emission passenger or commercial vehicles and related infrastructure, identified based on the use of proceeds defined at origination of the financing; and
- (b) Financing of energy efficient commercial buildings where the gross on-balance sheet amount owing to BOQ is greater than \$45m under a syndicated facility agreement. An energy-efficient building is defined as a building with minimum 5-Star NABERS Energy rating, NABERS Energy rating commitment agreement, or Green Star rating.
- Where BOQ provides financing for the purchase or construction of multiple commercial buildings under a syndicated transaction, the total on-balance sheet amount owing for the facilities under the syndicated transaction is included as lending to sustainable activities where all of the commercial buildings covered by these facilities meet the energy-efficient building definition. Where this is not the case, the on-balance sheet amount owing for the energy-efficient buildings is calculated as the total of the individual facilities related to these buildings, where applicable, or prorated based on estimated funding per building, where the facilities under the syndicated transaction do not relate to separate commercial buildings. Where the calculated on-balance sheet lending for energy efficient buildings under a syndicated transaction is less than \$45m, this lending is not included as lending to sustainable activities.
- Excludes non-Australian lending.
- (6) BOQ Group is committed to achieving 100 per cent renewable energy by FY25. This is achieved through specifying 100 per cent certified GreenPower renewable energy at all sites where the Group can choose its energy supplier and retiring renewable energy attribute certificates from accredited projects where the Group does not have a choice of supplier.
- (7) Employee engagement is determined through the use of a Pulse Engagement Survey conducted in August 2023 using the Qualtrics platform which had an 83 per cent participation rate for BOQ Group employees including contract employees.
- (8) The Board of Directors encompasses Executive and Non-Executive directors.
- (9) Senior Leadership encompasses the Executive Committee, General Managers and Heads of Department.
- (10) Community Investment measures contributions made by BOQ Group to community organisations or activities. Community investment consists of monetary contributions to charitable organisations or activities, social sponsorship of cultural events or institutions, matching employee fundraising, time contributions, and direct costs associated with managing community investment activities including salaries, memberships and subscriptions, professional advice, travel and subsistence whilst travelling.
- The calculation of community investment has been guided by the B4SI framework, with social sponsorship of cultural events or institutions included within Community Investment from FY22 (and not included within the reported performance between FY19 and FY21). Aligned to the B4SI framework, where activities that deliver a community benefit also deliver a direct commercial benefit, community investment has been recognised only where the community benefit was the primary driver for the contribution, with a proportional attribution applied based on the relative community versus commercial driver for the contribution.
- Contributions are included only where sufficient information is available to support both the community benefit attribution and the input value of the contribution made (exclusive of relevant taxes where applicable). Reported performance does not include community contributions made by BOQ Owner Manager franchisees.

2023 Highlights

- (1) Refer to Sustainability balanced scorecard Endnote (10).
- (2) Refer to Sustainability balanced scorecard Endnote (7).
- (3) Refers to the annual growth in lending to Sustainable Assets. Refer to Sustainability balanced scorecard Endnote (5) for definition of sustainable activities.
- (4) BOQ Group has committed to reduce Scope 1 and 2 emissions by 90 per cent and organisational supply chain Scope 3 emissions by 40 per cent by 2030 compared to 2020 baseline.
- (5) BOQ Group has committed to maintain operational carbon neutrality via organisation certification with the Australian Government Climate Active program.

Endnotes: Non-financial performance measures 2023 from pages 22-29.

On 1 July 2021, the BOQ Group acquired ME. Values represented for FY19 to FY21 exclude ME unless otherwise stated. The non-financial performance measures in FY22 and FY23 presented within this report relate to the operations of BOQ including ME unless specifically stated.

- (1) Refer to Sustainability balanced scorecard Endnote (3)
- (2) Refer to Sustainability balanced scorecard Endnote (2)
- (3) The Overall Retail Net Promoter Score is calculated as an average Retail NPS score for BOQ and ME Bank weighted based on the number of customers surveyed for each.
- (4) Mortgage NPS ranking refers to relative MFI mortgage product NPS Score in comparison to the agreed competitor set, including BOQ, ME, ING, Bendigo Bank, Suncorp, St. George, BankWest, CBA, ANZ, NAB and Westpac.
- (5) A customer is defined as an entity who owns and uses a BOQ branded product(s) and the brand has direct engagement/relationship with this entity. The methodology to determine customer numbers was changed in FY22 post ME Bank integration to allow to better alignment across the brands & Bank's strategy.
- (6) FY22 and FY23 values exclude BOQF, BOQS, VMA. Values before FY22 exclude BOQF, BOQS, VMA & ME.
- (7) FY22 and FY23 values include BOQ, VMA & ME. Values before FY22 represent only BOQ.
- (8) Number of customers and fans / followers represents annual averages across social media channels including BOQ VMA, ME, BOQS, BOQF & BOQB.
- (9) Includes: Corporate branches, Owner managed Branches including Service Centres, and Transaction Centres.
- (10) Some branches have more than one Owner Manager.
- (11) Does not include requests approved under the Banking Relief Package or lockdown relief. FY22 number has been updated to align to FY23 reporting.
- (12) Refer to Sustainability balanced scorecard Endnote (7)
- (13) Refer to Sustainability balanced scorecard Endnote (8)
- (14) Refer to Sustainability balanced scorecard Endnote (9)
- (15) Leadership encompasses Executive Committee, General Managers, Heads of Department and Senior Managers.
- (16) Includes: permanent, maximum term & casual employees; and contingent workers (agency and independent contractors). Excludes Owner Managed Branch employees.
- (17) Excludes Owner managed Branch employees and contractors. Prior to FY22, gender was only captured as female or male. Total numbers may not equal 100 per cent due to rounding.
- (18) Lost time injury reflects an accepted workers compensation claim.
- (19) Refer to Sustainability balanced scorecard Endnote (10)
- (20) Housing growth in FY21 and prior excludes ME. GLA (housing) refers to housing gross loans and advances as reported in the financial statements. The percentage growth is calculated as the percentage movement in the GLA figure for the period 1 September to 31 August for the relevant year. Housing system growth is calculated as the percentage increase in housing loans as reported in APRA's monthly authorised deposit-taking institution statistics for the period 1 September to 31 August for the relevant year. Housing loans is calculated as the total of "Housing: Owner-occupied" and "Housing: Investment" in the APRA statistics. The times system metric is calculated as the percentage growth for BOQ in the APRA monthly statistics divided by the percentage growth in system for the relevant period.
- GLA (commercial) refers to commercial gross loans and advances as reported in the financial statements. The percentage growth is calculated as the percentage movement in the GLA figure for the period 1 September to 31 August for the relevant year. Commercial system growth is calculated as the percentage increase in commercial loans as reported in APRA's monthly authorised deposit-taking institution statistics for the period 1 September to 31 August for the relevant year and have been adjusted for balance reclassifications made during the period. Large institutional banks have been excluded for the purposes of calculating system growth. Commercial loans is calculated as the total of "Acceptances", "Loans to non-financial businesses", "Loans to community service organisations", and "Loans to financial institutions". The times system metric is calculated as the percentage growth for BOQ in the APRA monthly statistics, divided by the percentage growth in system for the relevant period. Prior periods have not been adjusted.
- (21) Cash earnings per share (**Cash EPS**) is calculated by dividing the cash earnings after tax attributable to ordinary shareholders by the average weighted number of shares on issue. Cash earnings after tax attributable to ordinary shareholders is calculated as the Statutory profit of the BOQ Group (prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards)
- adjusted for non-cash reconciling items and declared distributions or returns on other equity instruments.
- (22) Metrics are sourced from 2023 Annual Report section 2.6 Lending.
- (23) Refer to Sustainability balanced scorecard Endnote (1)
- (24) ISO 27001 is an international standard for information security management that sets out standards for protecting confidentiality, integrity, and availability of information in an organisation. SOC 2 is a voluntary but independently audited compliance standard for service organizations, developed by the American Institute of CPAs, which specifies how organizations should manage customer data. Tier 1 suppliers are defined as being the most critical to the Bank in terms of value, risk and opportunity.
- (25) Refer to Sustainability balanced scorecard Endnote (5) for FY22 and FY23 values. Values before FY22 represent Sustainable Assets financed each year under a Clean Energy Finance Corporation (**CEFC**) co-financing program. The CEFC is a government entity established to facilitate increased flows of finance into renewable energy, energy efficiency and low emissions technology. The reported performance for the total amount financed through CEFC partnership represents the contract amount financed through the Energy-efficient Equipment Finance Program, not the contract net investment, for contracts issued in the relevant financial year.
- (26) BOQ Group committed to no further funding of equipment directly used in the extraction of fossil fuel in 2018. Current loans will run off in 2024.
- (27) Organisational footprint represented Scope 1, Scope 2 (market based), and Scope 3 organisational Scope 3 supply chain emissions. Organisational footprint excludes financed emissions. Reduction in FY23 organisational greenhouse gas emissions from a combination of enhanced climate engagement with major supply chain vendors for more accurate reporting, implementation of fleet efficiency measures, and implementation of our renewable energy strategy.
- (28) Scope 1 emissions represents direct greenhouse gas emissions from fuel combustion for BOQ Group corporate operations including branches and support centres (including ME) based on GHG Protocol using standard emissions factors in accordance with the Climate Active accreditation program.
- (29) Scope 2 (market based) emissions represents indirect greenhouse gas emissions from consumption of electricity for BOQ Group including branches and support centres (including ME Bank) in Australia and NZ using market based standard emission factors in accordance with the Climate Active accreditation program.
- (30) Scope 2 emissions (location based) represents indirect greenhouse gas emissions from consumption of electricity for BOQ Group including branches and support centres (including ME Bank) in Australia and NZ using the location-based greenhouse gas estimation method that does not factor in renewable electricity instruments or contracts, and assigns the local state based grid average emission factor to all usage, regardless of where it comes from.
- (31) Scope 3 emissions represents indirect greenhouse gas emissions from the BOQ Group supply chain including embodied emissions from data centres, IT software and hardware, capital works and repairs to buildings, communications, office equipment, furniture, legal and insurance, consultants supporting BOQ Group strategy and head office operations, business travel, waste disposal, employee commuting, and work from home emissions. Emission estimates include ME and are prepared in accordance with the Climate Active accreditation program following the principles of the GHG Protocol.
- (32) Scope 3 Categories refers to Scope 3 emission categories outlined in Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard (version 1.0).
- (33) Refer to page 30 for detailed endnotes relating to our estimation of financed emissions.
- (34) Values presented in FY20 to FY22 represents all locations and states including landlord supplies including ME. Years prior to FY20 excludes ME and facilities where electricity is supplied by the landlord.
- (35) One kilolitre (**kl**) is equal to one thousand litres (**1,000l**). Values prior to 2020 exclude ME.

2023 Financed emissions methodology.

BOQ Group makes these disclosures in good faith acknowledging that data availability and emission estimation approaches limits accuracy.

BOQ Group is working with international and domestic banking peers to standardise and align its estimation approach and will continue to refine its measurement methodology going forward.

BOQ Group includes over 99 per cent of lending activities in emission estimates including residential mortgages, commercial lending, and asset finance. Coverage excludes personal loans, overdrafts, and credit cards.

BOQ Group considers financed emissions in the following way:

- Mortgages: exposure - estimated.
- Commercial real estate: exposure - estimated.
- Business loans and unlisted equity: exposure - estimated.
- Motor vehicle loans: exposure - considered as business loans and estimated.
- Sovereign debt: exposure - not estimated.
- Listed equity and corporate bonds: exposure - not estimated.
- Project finance: no exposure.

Residential mortgages

BOQ Group estimates the absolute carbon emissions for 100 per cent of Group residential mortgages for all States and Territories in Australia by applying an average greenhouse gas (GHG) intensity factor per dwelling to the number of dwellings we finance in each State and Territory.

Residential mortgage estimates include all brands: BOQ, Virgin Money Australia, ME, and BOQ Specialist.

The approach aligns to the Partnership for Carbon Accounting Financials (PCAF) framework by estimating attributable operational emissions from residential mortgages with a data quality score of five.

In alignment with the PCAF framework, a loan at 31 August 2023 to valuation at time of origination ratio (LVR) was applied. Where value at origination is not available the most recent valuation has been used.

Vacant residential land is excluded from emission estimates.

The average state based GHG emissions per dwelling were estimated using:

- State and Territory gas and electricity residential energy consumption figures as per Table F of the Australian Energy Statistics - Australian Energy Update 2022 (AES).
- State and Territory electricity and natural gas full fuel cycle emissions factors (i.e. inclusive of upstream scope 3) from the National Greenhouse Accounts Factors (August 2022) (NGA).
- Residential operational GHG emissions for each state and territory were then calculated by applying the NGA emissions factors to AES residential energy consumption.
- The total number of dwellings for each state and territory was estimated from the ABS Census of Population and Housing: Housing data summary, 2021 (released 28 June 2022).
- Residential operational GHG emissions for each State and Territory were then divided by the estimated number of dwellings per State and Territory to provide an estimate of average emissions per dwelling for each State and Territory.

Finally, average emissions per dwelling for each State and Territory were multiplied by the total number of BOQ Group mortgages for each State and Territory and the average LVR ratio for each State and Territory. State and Territory subtotals are aggregated to determine total figure attributable to the residential mortgage portfolio.

Commercial Real Estate

BOQ Group has estimated emissions associated with loans to commercial real estate in office, retail, industrial, other residential, tourism & leisure, and other commercial property categories as defined in under APRA ARS230. Loans that are not secured against a specific building are considered in business loans and asset finance.

The approach aligns to the PCAF framework by estimating attributable operational emissions from commercial real estate with a data quality score of four. Commercial property emissions are estimated per property (bottom-up). Vacant land is excluded from the emission estimates.

A hierarchical approach to estimating emissions for commercial real estate was used. This approach seeks to maximise the use of building-specific attributes where available, before moving to the 'next best' estimation method.

All properties that support loans meeting APRA's ARS230 definition are reviewed against [Commercial Building Disclosure](#) for the period ended 31 August 2023 and direct emissions are used, where identified.

Emissions from buildings not featured on the Commercial Building Disclosure are estimated based on an average emissions intensity factor per sqm sourced from the [National Australian Built Environment Rating System \(NABERS\)](#), multiplied by the building area.

For any buildings not featured on the Commercial Building Disclosure or NABERS, a small area estimate of average emissions is conducted, using data sourced from [Commercial Buildings Energy Consumption Baseline Study 2022](#). This methodology uses estimated energy usage for energy and electricity, by Statistical Area Level 4 (SA4) region and building type, aligned to the ARS230 commercial property classifications.

These emissions were attributed to the BOQ Group in proportion to the outstanding amount at 31 August 2023 and the known valuation at origination. Where value at origination is not available the most recent valuation has been used.

Business loans and asset finance

BOQ Group estimates the absolute carbon emissions for commercial lending and asset finance activities by applying industry-sector emissions factors to lending exposure.

The approach for Business loans aligns to the Partnership for Carbon Accounting Financials (PCAF) framework by estimating attributable operational emissions with a data quality score of five.

The approach for Asset finance is not in full alignment to the PCAF framework for asset finance because asset finance emissions associated with motor vehicles are treated as commercial lending rather than motor vehicle loans. This is an area for future improvement.

Total commercial lending and asset finance at 31 August 2023 is broken into the following ANZSIC industry sectors:

- Other property and construction
- Healthcare
- Professional services
- Hospitality and accommodation
- Agriculture
- Manufacturing & Mining
- Transport
- Other

Lending exposures by industry as at 31 August 2023 are sourced from regulatory reporting data.

Emissions estimates are generated by multiplying BOQ's lending per sector by sector-specific emissions intensities. The 'Other property and construction' sector uses the emissions intensity estimated for the commercial property portfolio. All other sectors use emission factors from the external vendor, [Lifecycles](#). These emissions factors (kg CO₂e emissions per dollar of output) consider the entire supply chain (including scope 1, scope 2, and scope 3) associated with producing a dollar of sectoral output and are derived from AusLCl and IELab models.

BOQ's methodology for Business loans and Asset finance has been refined between FY22 and FY23, simplifying the treatment of loans of different tenors and deriving emissions intensities per \$ of assets from the Lifecycles data. FY22 estimates have been restated using the most recent emissions approach.

Calculating the carbon intensity of the loan book

The carbon intensity of BOQ's loan book in FY23 is calculated by dividing total estimated Financed Emissions by the total by the total in scope lending balance as per the FY23 financial accounts balance sheet.

The share of financed emissions attributable to each sector is calculated by dividing the sector's financed emissions by total financed emissions.

FY22 carbon intensity has been restated to reflect the updated methodologies described above.

Independent auditor's report.

For the year ended 31 August 2023



Independent Limited Assurance Report to the Directors of Bank of Queensland Limited

The Board of Directors of Bank of Queensland Limited (**BOQ**) engaged us to perform an independent limited assurance engagement in respect of the identified Subject Matter Information set out below and identified in the *BOQ Group 2023 Sustainability Supplement*, *BOQ Group 2023 Annual Report*, *BOQ Group 2023 Corporate Governance Statement* and *BOQ Group 2023 Global Reporting Index* (together, the **BOQ 2023 Sustainability Reporting**) for the year ended 31 August 2023.

Subject Matter Information

The Subject Matter Information are as set out below:

BOQ Group 2023 Sustainability Supplement - Non-financial performance measures 2023

Technology & Data Capabilities

- Significant reportable cyber security or privacy breaches resulting in public disclosure of data (nil)

Customer

- Overall Retail NPS
 - BOQ (+20)
 - ME (+11)
- SME customer NPS Score
 - BOQ Overall Business SME (+1)
 - Micro (-1)
 - Small (+10)
 - Medium (+8)
- NPS ranking for Retail and SME customers
 - Retail: BOQ (4th)
 - Retail: ME (joint 9th)
 - SME: Micro (joint 5th)
 - SME: Small (3rd)
 - SME: Medium (6th)
- SME customer NPS ranking
 - BOQ Overall Business SME (joint 5th)
- Percentage of employees who have completed mandatory training (97.5%)

People

- Employee engagement score (65%)
- Percentage of women in senior leadership (36%)
- Percentage of Women on Board (57%)

Community

- Total community investment ('000): (\$2,189)

Environment & Climate Change

- Lending to Sustainable Assets: (\$279.08m)

BOQ Group 2023 Sustainability Supplement - BOQ Group approach to sustainability reporting

- The assertion that "BOQ's sustainability disclosures have been prepared in accordance with the Global Reporting Initiative GRI Standard (2016) - Core requirements."

BOQ Group 2023 Annual Report

BOQ Group and climate change

- Credit risk - Sector (\$m):
 - Residential mortgages (62,738)
 - Property & Construction (6,887)
 - Healthcare (2,763)
 - Professional services (2,431)
 - Agriculture (1,232)
 - Transportation (606)
 - Manufacturing & mining (682)
 - Hospitality & accommodation (841)
 - Other (2,453)

Criteria

We assessed the Subject Matter Information against the Criteria. The Subject Matter Information needs to be read and understood together with the Criteria, being:

- the boundaries, definitions and methodologies used by BOQ to prepare the Subject Matter Information as set out in the *Endnotes* disclosures of the *BOQ Group 2023 Sustainability Supplement*;
- the definitions and methodologies used by BOQ to prepare the Subject Matter Information contained within the *footnotes* to the Credit risk - Sector table in the BOQ Group and climate change section of the *BOQ Group 2023 Annual Report*; and
- the Global Reporting Initiative GRI Standards (2016) (the **GRI Standards**);

Our assurance conclusion is with respect to the year ended 31 August 2023 and does not extend to information in respect of earlier periods.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331 MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au

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Independent auditor's report.

For the year ended 31 August 2023



Responsibilities of BOQ Management

BOQ Management is responsible for the preparation of the Subject Matter Information in accordance with the Criteria. This responsibility includes:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the underlying Subject Matter Information;
- ensuring that those criteria are relevant and appropriate to BOQ and the intended users; and
- designing, implementing and maintaining systems, processes and internal controls over information relevant to the evaluation or measurement of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Criteria.

Our independence and quality control

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter Information with the Criteria, as it is limited primarily to making enquiries of BOQ Management and applying analytical procedures.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

The limited assurance conclusion expressed in this report has been formed on the above basis.

Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. That standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria, for the year ended 31 August 2023.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

Independent auditor's report.

For the year ended 31 August 2023



In carrying out our limited assurance engagement, our procedures included:

- making enquiries regarding the processes and controls for capturing, collating and reporting the performance data within the Subject Matter Information;
- making enquiries to understand and assess the appropriateness of the assumptions and estimates used within the calculation of the Subject Matter Information;
- testing the arithmetic accuracy of a sample of calculations of the Subject Matter Information;
- reviewing a sample of relevant management information and documentation supporting the Subject Matter Information;
- testing of activity data utilised to calculate the Subject Matter Information. This involved a combination of analytical procedures and substantive tests of details of a sample of BOQ and third-party records and other relevant underlying information;
- reconciling the Subject Matter Information to underlying data sources and calculations;
- inspecting other supporting evidence to assess the completeness of BOQ activities and facilities, and the Subject Matter Information overall;
- testing the sector and sustainable asset classification of lending facilities to underlying information on a sample basis;
- obtaining an understanding of BOQ's materiality process and assessing it against the GRI Standards requirements;
- reviewing a sample of supporting documentation and conducting interviews with management to assess whether the outputs of BOQ's materiality process fairly represent the material issues identified by stakeholders;
- reviewing BOQ 2023 Sustainability Supplement to assess whether it meets the disclosure requirements of the GRI Standards;
- reviewing the Subject Matter Information to assess whether it has been prepared as described in the reporting criteria; and
- reviewing the BOQ 2023 Sustainability Reporting as a whole to assess any inconsistencies with our understanding obtained from the assurance procedures performed.

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

Our limited assurance conclusion

Based on the procedures we have performed, as described under 'Our responsibilities' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria for the year ended 31 August 2023.

Use and distribution of our report

We were engaged by the board of directors of BOQ on behalf of BOQ to prepare this independent assurance report having regard to the Criteria specified by BOQ and set out in this report. This report was prepared solely for BOQ in accordance with the agreement between us, to assist the Directors in reporting BOQ's sustainability performance and activities.

We accept no duty, responsibility or liability to anyone other than BOQ in connection with this report or to BOQ for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than BOQ and if anyone other than BOQ chooses to use or rely on it they do so at their own risk.

This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than BOQ receiving or using this report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Adam Cunningham

Adam Cunningham
Partner

Melbourne
10 October 2023

BOQ GROUP