

# 2025 Sustainability Report.

ING Australia



# Table of contents

<b>1. Introduction</b>	<b>2</b>	8.6. Current and anticipated impacts of Climate-related Risks and Opportunities	45
<b>2. Acknowledgement of Country</b>	<b>3</b>	<b>9. Risk management</b>	<b>48</b>
<b>3. CEO message</b>	<b>4</b>	9.1. ESG Risk Framework	49
<b>4. Our Social Impact</b>	<b>5</b>	9.2. Integration into overall risk management	49
4.1. Our Social Impact strategy	6	<b>10. Metrics and targets</b>	<b>51</b>
4.2. Partnering for Impact	7	10.1. Greenhouse gas emissions by category	52
4.3. Diversity, inclusion and belonging	10	10.2. Performance against own emissions target	55
4.4. Sustainable procurement	11	10.3. Approach to setting and reviewing targets at ING Group for Terra	55
4.5. Human rights	11	10.4. Capital deployment	56
<b>5. Tax transparency</b>	<b>12</b>	10.5. Internal carbon prices	56
<b>6. Basis of preparation</b>	<b>16</b>	10.6. Carbon credits	56
<b>7. Governance</b>	<b>19</b>	10.7. Executive remuneration	56
7.1. Board oversight	20	10.8. Quantification of material Climate-related Risks and Opportunities	57
7.2. Board skills and competencies	22	<b>Directors' Declaration</b>	<b>58</b>
7.3. Management consideration of climate matters	22	<b>Independent Auditor's Review</b>	<b>59</b>
7.4. Management control and procedures	23	<b>Lead Auditor's Independence Declaration</b>	<b>63</b>
7.5. Informing the Board on climate matters	23	<b>Notice to users</b>	<b>64</b>
7.6. Impact of sustainability on remuneration policies	23		
<b>8. Strategy</b>	<b>24</b>		
8.1. Strategy and decision making	25		
8.2. Assessing our material Climate-related Risks and Opportunities	29		
8.3. Understanding Climate-related Risks and Opportunities	29		
8.4. Climate-related risks and opportunities at portfolio level	41		
8.5. Climate-related scenario analysis	42		



# 1 Introduction

This Sustainability Report is issued by ING Bank (Australia) Limited<sup>1</sup>. The Sustainability Report should be read in conjunction with the Annual Report of ING Australia<sup>2</sup>. ING Bank (Australia) Limited is a wholly owned subsidiary of ING Bank N.V. and part of the ING Group<sup>3</sup>.

The Sustainability Report is in two parts and contains both voluntary disclosures and the first mandatory reporting under AASB S2 Climate-related Disclosures<sup>4</sup>.

Sections 1 to 5 of the Sustainability Report are voluntary disclosures provided by IBAL as general information on the activities of ING Australia. No representation, warranty, or undertaking, express or implied, is given by ING Group and ING Australia that the information in Sections 1 to 5 is accurate, current, complete, sufficient, or reliable, or as to the reasonableness of any assumption contained herein. We do not accept any liability whatsoever for any loss arising directly or indirectly from any use of the information contained in Sections 1 to 5.

Our Social Impact strategy also plays a central role in how we show up for communities. The report highlights our focus on strengthening social resilience and improving financial wellbeing, as well as the partnerships that make this possible - from organisations addressing domestic violence and homelessness, to First Nations-led enterprises, mental health initiatives and programs that inspire young people to thrive in future careers. The report also details on our commitments to diversity and inclusion, reconciliation, human rights, sustainable procurement and tax transparency. These foundations ensure our operations are responsible, ethical and aligned with our values, while supporting long-term, positive outcomes for customers, employees, suppliers and communities.

Sections 6 to 10 of the Sustainability Report contain IBAL's first mandatory reporting under AASB S2. We draw readers' attention to the important information in Section 6, the inherent limitations associated with the information included in this report at Sections 8.3, 8.5, 8.6, and 10.1 to 10.3, the Directors' Declaration, the Independent Auditor's review, and the notice to users. ING Australia's approach to climate and environmental matters is grounded in the identification and management of climate-related risks and opportunities. This report outlines the practical steps we are taking across our business to support our clients manage emissions, strengthen transparency and help households and businesses adopt sustainable solutions. It reflects our view that meaningful progress requires both global ambition and strong local action.

Our materiality assessments and scenario analysis work has confirmed we have limited material exposure to climate-related risks and our strategy is currently resilient. Our report provides further details on the actions we performed to reach this conclusion.

1 ING Bank (Australia) Limited ABN 24 000 893 292 is the standalone main banking entity. In the Annual Report 2025 and Pillar 3 disclosures of ING Australia, this is referred to as "the Bank" or "IBAL".

2 "ING Australia" is a consolidated reporting entity which comprises ING Bank (Australia) Limited ABN 24 000 893 292 and its controlled entities (special purpose vehicles IDOL R Trust, IDOL Trust Series 2019-1, IDOL Trust Series 2023-1, IDOL Series 2024-1, IDOL Series 2025-1 and IBAL Covered Bond Trust). References in this report to "we", "us", "our" also relate to this consolidated reporting entity unless stated otherwise. In the Annual Report 2025 and Pillar 3 disclosures of ING Australia, this consolidated reporting entity is referred to as "the Group".

3 "ING Group" refers to ING Groep N.V. (a company domiciled in Amsterdam, the Netherlands) and its controlled entities. 'ING Groep N.V.' is the ultimate holding company of ING Bank (Australia) Limited. ING Bank N.V. is the immediate holding company of ING Bank (Australia) Limited.

4 ING Australia is not voluntarily reporting against AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* at this time.



## 2 Acknowledgement of Country

In the spirit of reconciliation, ING Australia acknowledges the Traditional Custodians of Country throughout Australia and their connection to lands, waters and communities. We pay our respect to their Elders past and present and extend that respect to Aboriginal and Torres Strait Islander employees, partners and stakeholders.



### 3 CEO message



At ING Group, sustainability is embedded in how we do business, reflecting a holistic approach that spans climate, nature and social priorities in Australia and globally. As climate change and environmental degradation increasingly shape the world around us,

we recognise the responsibility we have with our customers, communities and colleagues to manage risks and opportunities arising from the transition to a low carbon economy and the adaptation to a changing climate. Our ambition is to play a leading role in the transition to a low-carbon economy, because it is essential to the long-term success of our business. In 2025, ING Group became the first Global Systemically Important Bank to have its 1.5°C-aligned science-based targets validated by the Science Based Targets initiative (SBTi) in relation to our Terra approach<sup>5</sup>.

At ING Australia, we are supporting our clients to transition and scaling up our financing for renewables and innovative climate solutions. Our commitment is clear: we strive to play an important role in financing the technologies, infrastructure and business models that will underpin a resilient, low-carbon future. In Australia we face unique climate risks - from bushfires and droughts to floods and coastal erosion. At the same time, Australia is rich in renewable resources and innovation potential. ING Australia plays a role in managing and mitigating risk, while investing in adaptation and long-term resilience. We empower our customers to make their homes more energy efficient, provide tailored finance solutions and partner with industry to deliver major renewable projects - including wind and solar farms - across the country.

Through our Retail Bank, products like the Green Upgrade Loan and Home Energy Helper - a one stop shop that was launched in collaboration with BOOM! Power, we are helping home loan customers transition. Our Business Bank launched the Business Green Upgrade Loan to help commercial property customers make eligible upgrades that could improve the energy efficiency of their buildings, while our Wholesale Bank is financing large-scale renewable energy developments that are shaping Australia's clean energy landscape.

We are also committed to transparency and accountability, to ensure our stakeholders have clear information about our progress. We're also investing in the Australian community through our Social Impact strategy, supporting social enterprise, employee giving and volunteering programs that help drive positive change for people.

We recognise that we cannot do it alone, to make progress on our strategic ambitions requires collaboration across sectors, industries and communities. That's why we work closely with our clients and partners to drive system-level change - whether it's supporting the electrification of transport or financing renewable energy projects.

As we publish our 2025 Sustainability Report, we are proud of the progress our team has made and we are energised by the opportunities and challenges that lie ahead. Together with our team mates, customers and partners, we can support the transition and invest in adaptation to make Australia more resilient.

A handwritten signature in black ink, appearing to read 'Melanie Evans', written over a white background.

Melanie Evans  
Chief Executive Officer,  
ING Australia

<sup>5</sup> This involves measuring the emissions associated with clients active in the most carbon-intensive parts of the sector value chains and then using this information to benchmark our client's activities against the relevant science-based decarbonisation scenarios. Note within ING Australia, only Wholesale Banking is aligned with Terra as Retail Banking has an internal waiver and Business Banking is out of scope.



# 4

# Our social impact.



## 4.1 Our Social Impact strategy

Our Social Impact strategy focuses on practical steps that build stronger, more resilient communities and support people to improve their financial wellbeing.

### Strengthening social resilience

We strive to support the provision of services for those facing social and economic challenges. Our community priorities include addressing domestic violence and financial abuse, mental hardship and supporting First Nations communities.

### Foster financial wellbeing

We strive to help customers build the financial knowledge and skills they need to make confident decisions. A key part of our work is making sure people who face greater barriers particularly women and people from diverse backgrounds can access safe, reliable financial support.

### Dedicated to making a lasting impact

By focusing on these two topics, we are dedicated to making a lasting impact and benefit for communities, including ING Australia customers. It also enriches the ING Australia employee experience through opportunities to volunteer and take part in purpose-led events and fundraising activities.

To bring this strategy to life, we combine internal initiatives with external partnerships, including:

- product and policy features;
- grants and sponsorships;
- program enterprise support and investment;
- events featuring our social impact partners; and
- employee volunteering and fundraising.

This approach reflects our commitment to driving positive change and delivering meaningful outcomes.



## 4.2 Partnering for Impact

### Women's Community Shelters

Women's Community Shelters is a leading for-purpose organisation providing accommodation and support for women and children escaping violence and experiencing homelessness. It is continuously expanding its network of safe havens.

Women's Community Shelters partners with community, government, corporates and volunteers to help break the cycle of abuse, by transforming communities from within through supported accommodation, education, advocacy and innovative housing solutions.

ING Australia funding has helped enable Women's Community Shelters to:

- **Expand essential services:** by establishing five new safe havens in NSW for older women, and women and their children, experiencing domestic and family violence and homelessness.
- **Empower victim survivors:** by expanding outreach programs to support clients overcoming abuse and exploitation, including financial and technological abuse. The funds go toward enabling counselling, legal and financial support, personalised safety plans, stable housing assistance, health and social connectivity, education and healthcare access for children, and delivering ongoing case management.
- **Activate the ING community:** by connecting ING Australia team members with volunteering, advocacy and fundraising opportunities throughout the year.
- Over 100 ING Australia team members volunteered with Women's Community Shelters in 2025.

### IndigiGrow

IndigiGrow is a social enterprise creating meaningful opportunities for Aboriginal people in horticulture by delivering culturally sensitive services that break down barriers to inclusion and participation.

IndigiGrow was established in 2018 at Sydney's La Perouse Public School, as a social enterprise of First Hand Solutions Aboriginal Corporation. It sustains people, land and culture through the propagation of native plants, bush foods, and the endangered Eastern Suburbs Banksia Scrub.

Grounded in culture, connection to Country and caring for Country, IndigiGrow passes on traditional knowledge and stories from Elders to apprentices, building strong cultural foundations, resilience and identity.

ING Australia sponsors IndigiGrow because its mission aligns with ING Australia's Social Impact priorities to:

- support First Nations economic empowerment;
- promote community-led environmental action; and
- and cultivate economic inclusion and workforce participation.

Funding has benefited the community by helping to restore native coastal biodiversity, enhancing climate resilience along the Eastern NSW coast, sustaining jobs and career pathways for young First Nations people.

ING Australia also creates volunteering opportunities for team members to support IndigiGrow activities through ING Australia's Impact Day employee benefit.

In 2025, 50 ING Australia team members volunteered with IndigiGrow.



## Powerhouse

Powerhouse is the largest museum group in Australia. It sits at the intersection of the arts, design, science and technology and plays a critical role in engaging communities with contemporary ideas and issues.

Powerhouse Parramatta, set to open in late 2026 will be one of the world's most significant new museums. Community, industry and collection will intersect to create a dynamic, culturally engaged program that will redefine museums. Powerhouse Parramatta is located within one of Australia's fastest growing and most diverse communities.

ING Australia is proud to partner with Powerhouse Parramatta with a 10-year commitment as the exclusive Community and Wellbeing Partner, including sponsorship of the ING Pavilion on the rooftop of the museum.

While the museum is under construction, we have worked with Powerhouse to deliver on our Social Impact commitment to create opportunities that inspire young women and girls to consider a career in science, technology, engineering, art and design or maths (aka STEAM).

For example, in 2025 we funded a series of school holiday science workshops targeting school students aged 14-17 and as part of National Science Week, we hosted a series of talks featuring 2026 Australian of the Year, astronaut Katherine Bennell-Pegg.





## R U OK?

R U OK? is a national suicide prevention charity and registered public health promotion that encourages people to stay connected and have conversations that can help others through difficult times.

Its work focuses on building the motivation, confidence and skills of the help-giver – the person who can have a meaningful conversation with someone struggling with life.

At ING Australia, we believe that looking after people is just as important as looking after money. That's why we're proud to be the exclusive Conversation Partner of R U OK?, an investment we've made since September 2021 to help support community mental wellbeing through meaningful conversations.

In 2025, we continued to help people support each other through life's ups and downs. By funding the research and development of our 'When Life Happens, ask R U OK?' campaign and sharing R U OK?'s important message with our customers through the R U OK? section of our customer Help Hub.

Within ING Australia, we've delivered in-depth mental health training to hundreds of team members, and held fundraising activities including the Great ING Trivia Night, Larapinta Trek and City 2 Surf.

## KARI Foundation

The KARI Foundation is an Indigenous not-for-profit organisation empowering Aboriginal communities through programs focused on culture, education, employment and wellbeing.

It delivers culturally responsive services across seven areas including arts, sport, families and Indigenous excellence.

Our partnership with KARI Foundation plays a central role in delivering ING Australia's commitment to economic inclusion and workforce participation for Aboriginal and Torres Strait Islander communities.

Through this collaboration, ING Australia is supporting a new Financial Literacy program designed specifically for First Nations youth. We'll fund research, curriculum design, content development and training for facilitators and community educators. With a focus on meaningful engagement, it will be delivered and promoted to reach young participants where it matters most.



## 4.3 Diversity, inclusion and belonging

At ING Australia, having a diverse and inclusive culture is not just the right thing to do, it is essential to ensure our customers' needs are exceeded and our employee experience is strong.

In 2025, we continued our Diversity, Inclusion and Belonging strategy and initiatives focused on:

- **Promoting a diverse and gender equal workforce** - ensuring our workforce more closely reflects the customers and communities we serve.
- **Culture of inclusion and belonging** - ensuring our people feel seen, heard, valued and connected.
- **Inclusive leadership** - empowering leaders to leverage diverse perspectives and foster inclusive teams to deliver positive customer outcomes.
- **Promoting inclusion for communities** - understanding and connecting with customers and communities from a wide range of backgrounds and financial circumstances to ensure great experience.

### Gender equality

We aim for an equitable and inclusive process in the way we attract, recruit and develop our people.

ING Australia's ongoing commitment to gender equality is recognised by achieving the Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOCGE) citation (held since 2021).

We set targets for increasing gender representation at leadership and pipeline levels and reducing the gender pay gap, which are tracked and reported to our Executives and Board.

To drive this, we ensure a gender balanced recruitment process as well as talent and leadership development programs. We also promote a respectful and inclusive culture through our employee inclusion networks.

In 2025, we had gender balanced representation (40% or over) at Senior Leadership, Executive and Board levels and ING Australia's average gender pay gap (total remuneration) reduced to 18.1% (2024: 19.5%). ING Australia's gender pay gap is below national and banking industry gender pay gaps.

### Family inclusive workplace

ING Australia is certified as a Family Friendly Workplace (held since 2021) and remains a proud supporting partner of Family Friendly Workplaces – UNICEF Australia and Parents at Work's national family and work standards and certification framework.

We're building a family-friendly workplace, and promoting support for parental leave, family care and flexible working, to ensure parents and carers have the chance to be successful professionally while managing their family lives.

### Reconciliation Action Plan

In 2025, ING Australia completed its first Reflect Reconciliation Action Plan (RAP) to guide our actions and contributions towards reconciliation with First Nations Australians.

The RAP covers actions across three pillars of respect, relationships and opportunities. Our RAP Working Group, together with our RAP Sponsor, inform and deliver ING Australia's RAP commitments.

This long-term commitment towards reconciliation aims to create meaningful change, support greater financial inclusion and social and economic prosperity for Aboriginal and Torres Strait Islander communities.

Through our RAP, we implemented First Nations cultural awareness training for all employees, held our first Yarn Up with team members, celebrated National Reconciliation and NAIDOC weeks, supported employee volunteering at IndigiGrow (see section 4.2) and partnered with KARI Foundation (see section 4.2).



Our Reflect RAP will lay the foundations and guide ING towards more meaningful engagement with Aboriginal and Torres Strait Islander peoples and future reconciliation initiatives.

### **Collaboration and external recognition**

As a member of the Champions of Change Coalition, we're working with a cross-industry network of leading practice organisations to drive change and progress gender equality within our workplace, industry and communities.

ING Australia holds Bronze Employer status in the [Australian Workplace Equality Index LGBTQ+ Inclusion Awards](#) from 2023-26.

We are a founding partner of Workplace Pride, dedicated to improving the lives of lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ+) people in workplaces worldwide. In 2025, ING Group scored 94% in the Workplace Pride Global Benchmark (2024: 91%) and was recognised as a Workplace Pride Advocate.


## **4.4 Sustainable procurement**

### **Sustainable procurement**

We continued to apply a sustainable lens to the choices we made about new vendors and suppliers. As part of our procurement approach, we utilised sustainable criteria as part of the supplier selection process for new agreements for ING Australia.

In 2025, we continued to conduct Know Your Supplier (KYS) due diligence to identify and appoint suppliers that are aligned to our sustainability expectations.

We continue to track and monitor risks for Modern Slavery in our supply chain, conducting due diligence on all suppliers<sup>6</sup>.

 [Read](#) ING Australia's 2024 Modern Slavery Statement

## **4.5 Human rights**

### **Human rights**

Our environmental and social risk framework includes an overarching human rights policy which applies in our workplace, supply chain, and to how and with whom we do business.

ING Group's most recent human rights review in 2023, reassessed the most severe human rights issues with regards to our workforce, Wholesale Banking activities and included our first assessment of salient human rights issues in our role as a procurer of goods and services.

<sup>6</sup> A limited number of suppliers are out of scope of KYS due diligence based on their category e.g. Authorised Deposit-Taking Institutions (ADI) regulated by Australian Prudential Regulation Authority (APRA).



# 5 Tax transparency.



ING Australia is committed to paying its fair share of taxes and maintaining high standards of corporate governance, social responsibility and ethical conduct. This includes a strong commitment to comply with our tax obligations and contribute directly to the economy by paying taxes to support public services and amenities for the benefit of the wider community.

Our tax transparency disclosures conform with the Australian Board of Taxation, voluntary Tax Transparency Code (“TTC”) of which ING Bank (Australia) Limited has been a signatory since 2018.

Please refer to Note 4 – Income Tax of the Annual Report for additional disclosures.

ING Australia’s tax strategy is to:

- safeguard our tax position in compliance with all applicable tax laws and regulations;
- ensure our tax position is correctly disclosed in the financial statements; and
- provide high-quality tax support to our businesses and management.

ING Australia adopts a conservative approach to managing its tax affairs and obligations. We pay taxes in accordance with all applicable laws and regulations, taking account of both the letter and spirit of the law.

We do not undertake any aggressive tax planning or enter into artificial and contrived arrangements to achieve a tax benefit. The commercial requirements of a transaction will dictate its form and no transactions will be entered into where obtaining a tax benefit is the primary purpose. We seek professional advice or a tax ruling from the Australian Taxation Office (“ATO”) in circumstances where the potential taxation outcome is uncertain.

Our tax risk governance underscores a prudent approach to tax management and operates within our broader governance and risk management framework. Tax risk governance is underpinned by the Tax Risk Management (“TRM”) policy which is reviewed annually and approved by the Board of Directors. The TRM policy is designed to effectively implement tax strategy, operate within its acceptable level of risk appetite and is aligned with the ATO’s tax risk management and governance review guide. Our employees must adhere to the ING values – to be honest, prudent and responsible, and with integrity above all – when managing tax affairs.

We’re committed to maintaining a transparent and collaborative relationship with the ATO and other tax authorities. Dealings are conducted in an open and transparent manner throughout the tax risk and assurance reviews regularly undertaken by the ATO.

## **Tax contribution summary**

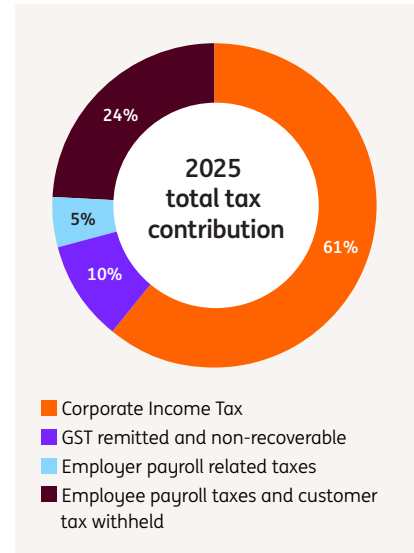
ING Australia’s total tax contribution (paid and remitted) amounted to \$500 million during the year ended 31 December 2025.



## International related-party dealings

We believe in the principle that tax should follow business and consequently profits are allocated to the countries in which business value is created. ING Australia's international related-party dealings are conducted in accordance with arm's length principles as prescribed by the Australian transfer pricing laws and in accordance with the Organisation of Economic Cooperation and Development guidelines.

We disclose transactions with related parties at Note 24 of our Annual Report. The main related-party transactions are with other ING Group entities in The Netherlands and Singapore. The key business dealings include provision of management and administration services, employment related recharges, support and technology services, long term funding and money market transactions.



# **ING Bank (Australia) Limited disclosures aligned with Australian Sustainability Reporting Standards S2.**



# 6 Basis of preparation.



## Statement of compliance

ING Australia's climate-related disclosures have been:

- prepared under Chapter 2M of the *Corporations Act 2001*;
- authorised and issued by the Board of Directors on 30 March 2026; and
- prepared in accordance with AASB Sustainability Reporting Standard S2 *Climate-related Disclosures* as issued by the Australian Accounting Standards Board (AASB) across the four pillars: Governance, Strategy, Risk Management and Metrics and Targets.

## Connectivity

This section of the Sustainability Report contains the climate-related financial information of ING Australia for the year ended 31 December 2025, consistent with the reporting period of ING Australia's consolidated financial statements. In addition to aligning periods, this report outlines how climate-related risks and opportunities influence key financial statement items, for example including capital deployed towards sustainable finance for wholesale banking loans (see Section 10.4) and operating expenses for the purchase of electricity and energy attribute certificates (see Section 10.1).

## Materiality

Sections 6, 7, 8, 9 and 10 of our Sustainability Report includes material information on strategic priorities, governance and risk management, as well as our financial and non-financial performance related to climate.

This Sustainability Report presents the information that we believe could reasonably be expected to affect our prospects and influence primary users' decisions. It does not seek to cover all possible information about our approach to the issues arising from climate change.

Determining the materiality of information involves judgement, taking into account both qualitative and quantitative factors.

Our assessment of materiality may change over time.

## Functional and presentation currency

Climate-related financial information is presented in Australian dollars. All amounts have been rounded to the nearest million, unless otherwise stated.

## Transitional relief

In preparing this report, ING Australia has applied the following first year transition relief from the requirement to disclose:

- Comparative information; and
- Scope 3 greenhouse gas ("GHG") emissions information.

## Events after the reporting period

Please refer to the Subsequent Events note of the ING Annual Report 2025. There were no subsequent events or information received impacting the climate-related financial disclosures.



## Judgements

The preparation and presentation of the Sustainability Report involved applying judgement that is reasonably expected to determine what information is relevant, reliable and useful to disclose. This includes interpreting reporting requirements and making informed decisions in certain areas where the standard allows flexibility. The table below summarises key judgements including:

Topic	Description
<b>Materiality assessment</b> (see Section 8.3)	The materiality assessment leverages on data. However, to identify relevant risks, opportunities and material information ING Australia also exercised judgement in assessing the time horizons, impacts and dependencies across the value chain that could reasonably be expected to influence the strategy, business model, financial position and performance.
<b>Scenario analysis</b> (see Section 8.5)	Selecting scenarios for climate-related scenario analysis required forward-looking assumptions and judgement to reflect a range of temperature outcomes and transition pathways that capture the uncertainties most likely to affect the company's strategy, business model, financial position or performance.
<b>GHG Emissions</b> (see Section 10.1)	ING Australia exercised judgement when selecting appropriate emission factors and applying the operational control approach to the organisational boundary.

## Measurement uncertainty

Measurement uncertainty in the Sustainability Report arises from data gaps, reliance on proxy information, external factors and forward-looking information. The table below summarises the main sources of measurement uncertainty affecting disclosed amounts.

Topic	Description
<b>Materiality assessment</b> (see Section 8.3)	Reported amounts and materiality assessments are sensitive to changes in assumptions. For example, applying a different materiality threshold could alter which risks are disclosed. For flood (riverine) risk, using the 8.3% of the portfolio determined by the financial materiality assessment, applying that percentage to the 31 December 2025 portfolio results in an exposure of \$6,260m of Retail and Business Banking loans which is subject to a high level of measurement uncertainty.
<b>Scenario analysis</b> (see Section 8.5)	Forward-looking assumptions regarding transition pathways, technology adoption, and regulatory developments introduce inherent uncertainty.
<b>GHG Emissions</b> (see Section 10.1-10.3)	GHG emissions quantification is unavoidably subject to significant inherent limitations in the nature and methods used for determining emissions factors and data. Vendor reported data and proxy estimates are utilised where relevant. Uncertainty related to GHG emissions is expected to reduce as data quality improves through enhanced vendor reporting and system integration. The 1,464 tCO <sub>2</sub> -e disclosed in Section 10.2 and 10.3 is subject to a high level of measurement uncertainty.
<b>Financial Impacts</b>	Estimates depend on assumptions about future market conditions, customer behaviour, and policy changes, which are subject to significant variability.



# 7

# Governance.

The Board of Directors oversees the assessment of climate-related risks and opportunities for ING Australia.

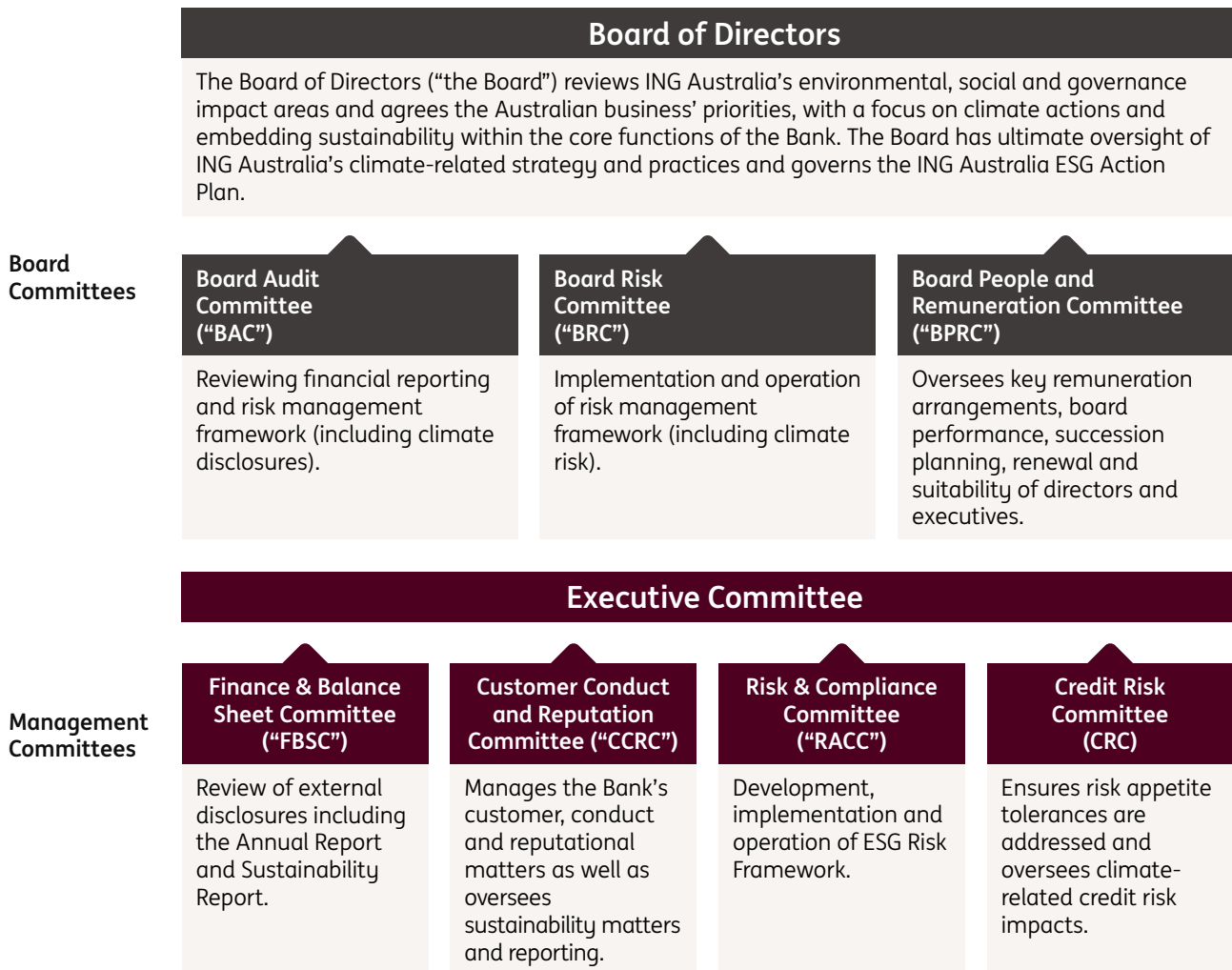


## 7.1 Board oversight

### ING Bank (Australia) Limited Board of Directors

The governance structure and regulatory accountabilities for ING Australia in relation to sustainability and climate-related matters is depicted below. Please refer to the [Annual Report 2025](#) of ING Australia:

- Note 16 – Risk management: for the full governance structure consisting of the Board, Board Committees and Management Committees
- Note 24 – Related party disclosures: for the listing of Directors and Executives



- The Board has established several Board Committees that operate under charters approved by the Board. The Committees that support the Board in its climate-related activities include the BAC, BRC and BPRC.
- The Board has delegated responsibility for the operation and administration of ING Australia to the Chief Executive Officer (CEO) who has established the Executive Committee to assist her in successfully delivering on these Board-delegated activities. The Executive Committee assists the CEO in delivering the day-to-day activities and operations of IBAL to aligned to the strategy approved by the Board.
- The following local Management Committees have been established by the Executive Committee and provide support in overseeing climate-related matters: FBSC, CCRC, RACC and CRC.

## Board and Committees

Responsibility for climate-related risks and opportunities is included in the following Board and Committee Charters.

The Board Charter outlines the responsibilities of the Board which include overseeing ING Australia's environmental, social and governance impact and associated corporate responsibility and climate-related practices. The Board Charter supports this oversight by requiring the Board to approve strategic direction and risk appetite and to oversee material risks and governance arrangements. The Board governs the ESG Action Plan and reviews the Sustainability Report annually to monitor progress against commitments and ensure consistency of external disclosures with internal governance and controls.

The Board Risk Committee (which meets at least four times per year) oversees climate risks, which are included in risk reporting. Through its charter, it:

- forms a view on ING Australia's risk culture and the extent to which ING Australia's risk culture supports it operating consistently within its risk appetite;
- oversees efforts to improve the risk culture and monitor these improvements;
- oversees management's implementation of the Risk Strategy and Risk Management Approach, which include climate risk;
- escalates material matters to the full Board for consideration.

The Board Audit Committee assists the Board in reviewing and approving all external climate and sustainability disclosures. This review of disclosures includes oversight of supporting governance and internal controls.



## 7.2 Board skills and competencies

The Board uses a collective suitability skills matrix to assess director expertise against the strategic requirements for ING Australia's Board of Directors. The matrix spans a range of skills and expertise including those required to oversee environmental, social and governance responsibilities for an entity in a highly regulated industry.

The Board is focused on maintaining and updating skills as needed to discharge their duties. The Board's suitability skills matrix is reviewed as part of the Board performance and renewal process. Outcomes from this review inform director development priorities and succession planning. The matrix is also updated if new regulatory requirements or strategic priorities require additional expertise.

Where additional skills and capabilities are required to respond to climate-related risks and opportunities, the Board undertakes targeted professional development. During the reporting period, Directors participated in a sustainability and climate-related reporting workshop to enhance their understanding of climate-related financial risks, mandatory disclosure requirements, lessons learned and best practice sustainability reporting by banks in Australia, UK, Europe and New Zealand. The Board has access to internal expertise within ING Australia, international expertise in the ING Group and external expertise through sustainability consulting and external legal advice.

## 7.3 Management consideration of climate matters

The ING Group ESG Risk Framework, as adopted by ING Australia outlines how climate-related risks are managed across business strategy. The framework covers all three lines of defence:

- Line 1 - the Heads of Business and Support Functions;
- Line 2 - Risk Management Functions; and
- Line 3 - Corporate Audit Services (Assurance).

ING Australia as part of its strategy considers climate-related risks and opportunities ("CRRO"s) including for the associated trade-offs between risks and opportunities, and for decisions on major transactions for example:

- Important and material ESG risks are considered during the ESG risk assessment process. Please refer to Section 8.4 for Wholesale Banking - Management considers climate-related risks in major transactions through the adoption of the ING Group's Environmental Social Risk (ESR) Framework. This framework sets out how environmental and social risks, including climate-related factors, are identified, assessed and escalated (including positive or negative impacts). It applies a structured categorisation of low, medium, high and unacceptable ESR risk levels, which informs the level of due diligence, escalation and decision-making required for each transaction.
- For the selection of suppliers there is consideration of sustainable criteria for new agreements (please refer to Section 4.4).



## 7.4 Management control and procedures

Management's oversight of climate-related risks is detailed within Section 9.2 (integration into the risk management process). By integrating climate-related risk considerations into strategy and operations, ING Australia not only mitigates regulatory and reputational risks, but also positions itself for growing customer demands for responsible banking solutions.

Climate-related opportunities are identified and prioritised through our strategic planning processes, where they are subject to the same procedures, risk management activities and management decision making as all other strategic business opportunities.

Management has procedures, systems and controls in place for the collection and measurement of climate-related data for internal and external reporting purposes. Controls for example include the sign-offs received from business units in relation to the Sustainability Report and validation checks in relation to own operations emissions reporting.

## 7.5 Informing the Board on climate matters

The Board reviews and approves the ESG Action Plan<sup>7</sup> annually to ensure ongoing alignment with business priorities and ING Group's sustainability strategy.

The Board receives climate-related reporting as part of risk reporting in the Chief Risk Officer's (CRO) reporting to the Board Risk Committee.

The Board reviews and approves the Sustainability Report for external publication annually.

## 7.6 Impact of sustainability on remuneration policies

ING Australia integrates sustainability and climate-related considerations into its performance and remuneration frameworks to promote accountability and support progress toward climate objectives. Business targets set by the ING Group Management Board Bank cascade to ING Australia Executives and their teams, these include climate related targets such as targets for products supporting customers through sustainable renovations or reducing emissions (See Section 10.7).

For relevant roles the climate-related targets form part of the overall performance objectives under the Step Up Performance Management framework. Achievement against these objectives is assessed during the annual performance review and informs overall performance rating. The overall performance rating impacts fixed pay adjustments and variable remuneration outcomes.

The Board has oversight of the setting and results of the CEO's scorecard which includes climate-related targets. The review takes place on an annual basis.

<sup>7</sup> The ESG Action Plan outlines ING Australia's ESG priorities – please see section 8.1: Sustainability at ING Australia for further details.



# 8

# Strategy.

This report provides an overview of our identified material climate risks and opportunities, and how ING Australia is managing those in Australia.



## 8.1 Strategy and decision making

### ING Group climate strategy

ING Group is a large globally operating bank, so we have the opportunity to play a leading role in financing the change that is needed in the transition. There are multiple ways in which we bring together expertise and capital to act as a catalyst for our clients' efforts in the transition and for the development of wider systemic solutions. We play a role in managing and mitigating risk and also invest in adaptation and long-term resilience. We support an energy transition that strengthens energy security, ensures stability of supply, and safeguards affordability. We work with regulators and other stakeholders to align financial flows with international and national climate goals and policies. We base our own actions on what we believe needs to happen in the global transition – focusing on three action areas where we can have the greatest impact. First, we are helping clients to transition; second, we are building up the financing of new technologies and sustainable systems; and third, we aim to find new ways to enable people to play their part in the transition.

### Sustainability at ING Australia

Climate-related opportunities are identified primarily by ING Group's Executive Board and incorporated in the ING Australia business strategy via the ESG Action Plan, which is approved annually. ING Australia's operations support ING Group's broader strategic objectives, while maintaining a distinct presence in the Australian financial services market.

The foundational activities that drive ING Australia's sustainability outcomes are described in our ESG Action Plan, which defines our ambitions and drives accountability for our teams delivering on ING Australia's and ING Group's sustainability strategy. The plan is reviewed and approved by our Board annually to ensure alignment with business priorities and ING Group's sustainability aspirations.

The ESG Action Plan outlines how we intend to achieve our operational and portfolio-related decarbonisation objectives over time. The ESG Action Plan aims to achieve operational emissions targets (see Section 10.3) through office energy efficiency, supplier criteria and renewable electricity purchasing. Portfolio-related objectives are pursued through product design, client engagement, and integration of climate-risk considerations into credit processes. In 2025, ING Australia participated in the NatHERS trial, expanded retail retrofit enablement and launched the Business Green Upgrade Loan, in line with the ESG Action Plan approved in the prior period. Collectively, these milestones reflect timely delivery against the planned scope and schedule.

Key assumptions underlying the ESG Action plan include the expected tightening of Australian regulatory policy, the continuation of government incentives supporting energy-efficiency improvements, and ongoing improvements in data coverage and quality. Dependencies include the availability and performance of platform partners and data vendors, and the timing and clarity of regulatory guidance that informs implementation choices.



Achievements for the year-ended 31 December 2025 in relation to the ESG Action plan include:

Area	Objective	Action	Achievements
<b>Retail Banking</b>	Mitigation	Support more Australians to obtain NatHERS energy ratings for their home.	ING Australia participated in the NatHERS existing homes trial and funded NatHERS assessments and certificates on behalf of participating customers.
<b>Business Banking</b>	Mitigation	Issue a Sustainable finance lending product for business banking customers.	Launched Business Green Upgrade Loan for CPF clients.
<b>Wholesale Banking</b>	Mitigation	In line with ING Group's Terra approach.	The objectives for Terra are specific to ING Group. However sustainable finance transactions are disclosed under Section 10.4 as per the AASB S2 disclosure requirements of ING Australia.
<b>Own Operations</b>	Mitigation	Reduce emissions from leased buildings and data centres in line with ING Group commitments.	Reduction achieved – see Section 10.3.
<b>Procurement</b>	Mitigation	Apply supplier evaluation criteria for supplier selection with business owners.	Commenced the inclusion of ESG supplier evaluation criteria into the market approach and supplier selection processes (refer to Section 4.4).



## Retail Banking climate strategy

Our Retail Banking climate strategy is grounded in the belief that most people want a role in Australia's transition to a low-carbon economy and our climate action approach includes finding ways to enable people to play their part. We aim to empower existing and prospective retail customers – particularly homeowners – to participate in the transition by improving the energy performance and resilience of their homes. Our approach includes supporting customers with accessible tools, insights and financing solutions, as well as participating in sector-wide initiatives supporting national capability.

To deliver on this aim, in 2025 our mortgages business delivered several key initiatives designed to help homeowners understand and reduce energy use of their homes:

- In February, we became the first bank to participate in the Nationwide House Energy Rating Scheme (“NatHERS”) trial for existing homes. Through this trial, select customers received energy performance insights and guidance on cost-effective upgrades to improve comfort, reduce emissions and lower energy bills.
- In April, we extended access to our One Stop Shop to all ING home loan customers and subsequently to the refinance market in June. This service aims to simplify the process of making energy efficient home upgrades by giving customers access to Home Energy Helper, a digital retrofitting platform developed in collaboration with BOOM! Power and by linking them to low-cost finance through the ING Green Upgrade Loan if needed;
- In September, we expanded the range of eligible upgrades available as part of the ING Green Upgrade Loan to include improvements such as double glazing and insulation, further supporting customers to improve the energy efficiency of their homes; and
- Recognising that upfront cost remains the primary barrier to retrofitting, as identified through customer research, we introduced two cashback offers to help reduce the cost burden for homeowners undertaking energy-efficient upgrades.

We are continuing to integrate climate-related risk considerations into our Retail Banking mortgage portfolio management. Physical climate risks, including bushfire and riverine flood exposure, are assessed at origination through the property valuation process and monitored at a portfolio level on a quarterly basis (see page 41).

To enhance our understanding of transition risk, this year we purchased proxy energy efficiency ratings for available properties from a third party. As this data is in a trial phase, data is only being used to support internal monitoring.



## Business Banking climate strategy

In 2025, our Business Banking team enhanced its strategy to grow the Commercial Property Lending portfolio in alignment with ING Australia's ESG priorities.

To deliver on this aim, Business Banking has a strategic focus to help commercial property customers make eligible upgrades that could improve the energy efficiency of their buildings.

As part of this strategy, we launched the Business Green Upgrade Loan in 2025, which:

- is available for eligible customers who already have an ING Commercial Property Finance ("CPF") facility;
- provides a separate loan facility at a discounted interest rate designed to help improve the energy performance of a secured commercial property; and
- supports a range of eligible energy efficiency measures, including:
  - solar panels and batteries
  - solar hot water and hot water heat pumps
  - building monitoring systems

To qualify, upgrades must lead to either:

- a measurable improvement in the NABERS Energy rating; or
- a verified reduction in total energy consumption.

In addition to product development, we continue to collect data to provide insights into physical risk exposure across our Commercial Property Finance and Priority Commercial Mortgages portfolios. Physical risks are being measured and assessed quarterly at a portfolio level.

## Wholesale Banking climate strategy

At ING Group we manage our lending portfolio in line with governmental climate goals, prioritising the most carbon intensive sectors through our Terra approach<sup>8</sup>. Our broader risk management, which Terra is a part of, helps us to assess transition and physical risks as well as emerging financing opportunities. This data-driven approach has enhanced our ability to support our clients in navigating their transition strategies. By engaging with clients, we have established a foundation for more targeted, fact-based discussions on transition planning, helping us better understand their evolving financing and advisory needs and potential transition risk. Through this coordinated effort, our Wholesale Banking team provides financing for technologies and solutions for a low-carbon world to clients across a range of industries, including but not limited to power generation, technology, media, telecom, healthcare, commercial real estate and the food, beverage and agriculture sector.

Society is transitioning to a low-carbon economy. So are our clients, and so is ING. We finance a lot of sustainable activities, but we still finance more that's not. Follow our progress on [ing.com/climate](https://www.ing.com/climate).

<sup>8</sup> Terra involves measuring the emissions associated with clients active in the most carbon-intensive parts of the sector value chains and then using this information to benchmark our client's activities against the relevant science-based decarbonisation scenarios. Note within ING Australia, only Wholesale Banking is aligned with Terra as Retail Banking has an internal waiver and Business Banking is out of scope.



## 8.2 Assessing our material climate-related risks and opportunities

Our strategy is about growing the difference by providing superior value for our customers and putting sustainability at the heart of what we do. At ING Australia, our sustainability approach spans climate, environmental and social risks and opportunities. As a financial institution providing services to Retail, Business and Wholesale clients, we finance our clients and support them in their transition.

## 8.3 Understanding climate-related risks and opportunities

In 2025, ING Australia engaged an independent third party to perform a financial materiality assessment to assist with ING Australia's consideration of CRROs. That consideration involved the following steps:



## Step 1: Identification and prioritisation of climate-related risks and opportunities

### Value Chain analysis

	Supply Chain	Own Operations	Downstream			
Key Activities, products and services	<ul style="list-style-type: none"> <li>Management of providers of goods and services</li> </ul>	<ul style="list-style-type: none"> <li>Employees management</li> <li>Properties management</li> </ul>	Wholesale Banking	Business Banking	Private individuals	Treasury and other investments
			<ul style="list-style-type: none"> <li>Wholesale lending (incl. securitisation and pre-settlement)</li> <li>Deposits</li> <li>Capital Markets Advisory</li> </ul>	<ul style="list-style-type: none"> <li>Business Lending (incl. pre-settlement)</li> <li>Deposits (incl. saving accounts)</li> </ul>	<ul style="list-style-type: none"> <li>Mortgages</li> <li>Daily banking services, savings (payment &amp; cash management) Deposits (incl. saving accounts)</li> <li>Consumer Lending</li> <li>AuM (wealth management)</li> <li>Retail Insurance</li> </ul>	<ul style="list-style-type: none"> <li>Group Treasury</li> <li>High Quality Liquid Assets</li> <li>Hedging instruments</li> <li>Debt instruments</li> </ul>
Underlying Actors	<ul style="list-style-type: none"> <li>Suppliers of goods and services</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Large corporates (incl. financial institutions)</li> <li>Government Entities</li> </ul>	<ul style="list-style-type: none"> <li>Self-employed and Micro (small companies)</li> <li>Small to medium enterprises</li> <li>Mid-corporates clients</li> </ul>	<ul style="list-style-type: none"> <li>Private Individual Customers</li> <li>Retail clients</li> </ul>	<ul style="list-style-type: none"> <li>Corporate (incl. Financial Institution)</li> <li>Government Entities</li> </ul>

ING Australia's value chain was analysed and benchmarked against peers with an extensive list of 66 CRROs. Seven CRROs were subsequently selected for detailed assessment based on peer relevance, regulatory context and discussions with selected stakeholders from ING Australia.

In the analysis, it was determined the most relevant value chain segments for conducting CRRO prioritisation and the financial materiality assessment are Retail, Business, Wholesale Banking and Own Operations.

CRROs	Retail Banking	Business Banking	Wholesale Banking	Own Operations
<b>Physical risk</b>				
Wildfire/Bushfire	✓	✓		
Tropical cyclone	✓			
Floods (riverine)	✓	✓		
<b>Transitional risk</b>				
Exposure to emission intensive sectors/industries		✓	✓	
Negative stakeholder perception			✓	
<b>Opportunity</b>				
Energy efficiency improvements in own operations				✓
Providing low carbon products to clients	✓	✓	✓	



## Stage 2 – Financial materiality of climate-related risks and opportunities

The seven prioritised CRROs were assessed using a materiality assessment framework based on two dimensions being likelihood and magnitude<sup>9</sup>. Reflecting their distinct characteristics, the scoring parameters varied across physical risks (“PR”), transition risks (“TR”), and climate-related opportunities. The analysis was performed across ING Australia’s portfolio and operations. Based on the evaluation, CRROs were scored and a total of three physical risks, two transition risks and two climate-related opportunities were prioritised.

In this materiality assessment, the reference date for amounts used was 31 December 2024 and the time horizons<sup>10</sup> applied (please refer to Section 8.6) are:

- short term < 1 year;
- medium term 1-5 year; and
- and long-term 5-10 years.

These time horizons align with our business cycles as follows:

Horizon	Years	Aligns with
Short	<1 year	Product pricing - Risk Appetite Statement
Medium	1-5 years	Dynamic plan - Business Unit Planning
Long	5-10 years	Strategic plan

Judgement was applied in conducting ING Australia’s most recent materiality assessment, which was undertaken in late 2025 using 31 December 2024 data. This approach was considered appropriate because 31 December 2024 data represented the most complete and reliable 12-month dataset available at the time the assessment was performed. ING Australia’s business model, portfolio composition and stakeholder landscape typically evolve gradually and therefore the use of 31 December 2024 information provided a robust basis for identifying and prioritising sustainability related impacts, risks and opportunities.

Since completion of the assessment, ING Australia’s core business activities and strategic priorities have remained consistent. While normal business developments, such as changes in individual clients, transactions or product offerings, have occurred, these have not materially altered ING Australia’s overall risk profile or the nature of its sustainability related impacts, risks or opportunities. Accordingly, the outcomes of the late 2025 assessment remain appropriate and representative for this reporting period.

ING Australia maintains an annual review process to monitor updated operational data, business changes and shifts in the external environment, including regulatory developments and stakeholder expectations. This process enables ING Australia to identify any emerging material sustainability topics and supports reporting to senior management and governance bodies. Where material changes are identified relating to a previously reported period, ING Australia will disclose these adjustments transparently in the following year’s report.

Should changes occur to ING Australia’s business model, operating context or stakeholder priorities that may materially affect the outcomes of the assessment, ING Australia will undertake an interim update. Otherwise, a full refresh of the materiality assessment will be performed in line with ING Australia’s strategic planning cycle (1-5 years) and regulatory expectations.

<sup>9</sup> Magnitude in this section refers to only financial impacts.

<sup>10</sup> Magnitude and likelihood assessments are based on the RCP (Representative Concentration Pathway) 8.5 scenario for the 2030-time horizon.



## Evaluation using a framework based on (financial) impact and likelihood scores

Risk/opportunity name	Risk/opportunity type	Magnitude	Likelihood	Materiality result
Floods (riverine) ✓	Physical risk	2	3	6
Tropical cyclone	Physical risk	2	2	4
Wildfire/bushfire	Physical risk	2	2	4
Exposure in high emission industries	Transition risk	2	2	4
Negative stakeholder perception	Transition risk	2	2	4
Energy efficiency improvements in own operations	Opportunity	1	1	1
Providing low carbon products to clients	Opportunity	1	1	1

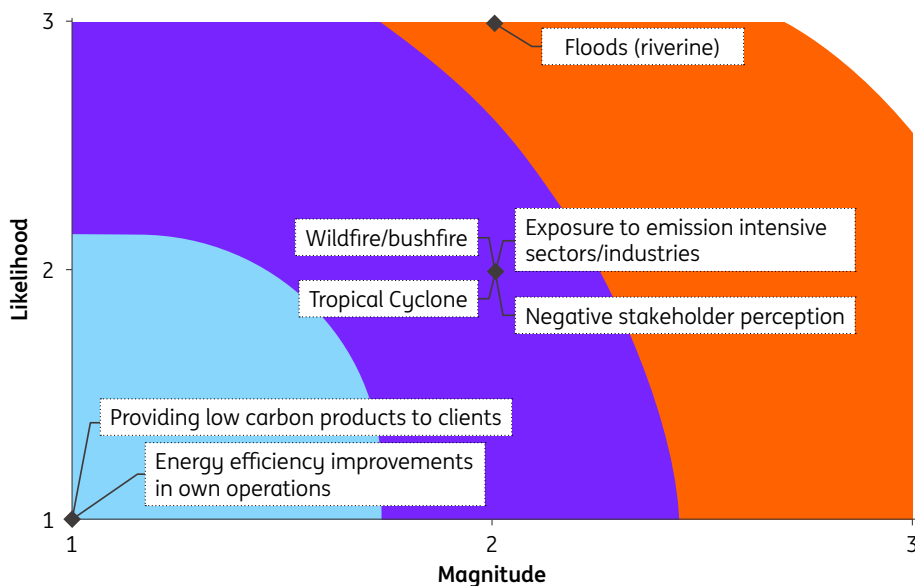
✓ Climate risk with potential consequences for IBAL.

Score	1	2	3
	Low	Moderate	High

A score above 5 is considered material

The materiality result is calculated as the score of the magnitude multiplied by the score of likelihood. Flood (riverine) physical risk has been selected from the prioritised list of CRROs as having a material impact on a pre-mitigating basis, having exceeded the materiality threshold defined for this assessment. Mitigating factors include credit lending policies, independent valuations and insurance requirements for customers which results in minimal risk of economic loss to ING Australia on a post-mitigating basis.

## Materiality Matrix



The outcomes of the materiality assessment were presented to the relevant Management and Board Committees.



## Financial materiality framework (scoring criteria)

### Physical risk (Scoring criteria)

Physical Risk				
Risk name	Magnitude	Score	Likelihood	Score
Flood (riverine), Wildfire/Bushfire, Tropical Cyclone.	High-risk exposure is less than 0.1% of the real estate portfolio	1	Low chances of risk occurrence in the long-term	1
	High-risk exposure ranges from 0.1% to 10% of the real estate portfolio	2	Moderate chances of risk occurrence in the long-term	2
	High-risk exposure exceeds 10% of the real estate portfolio	3	High chances of risk occurrence in the long-term	3

■ Low   
 ■ Moderate   
 ■ High

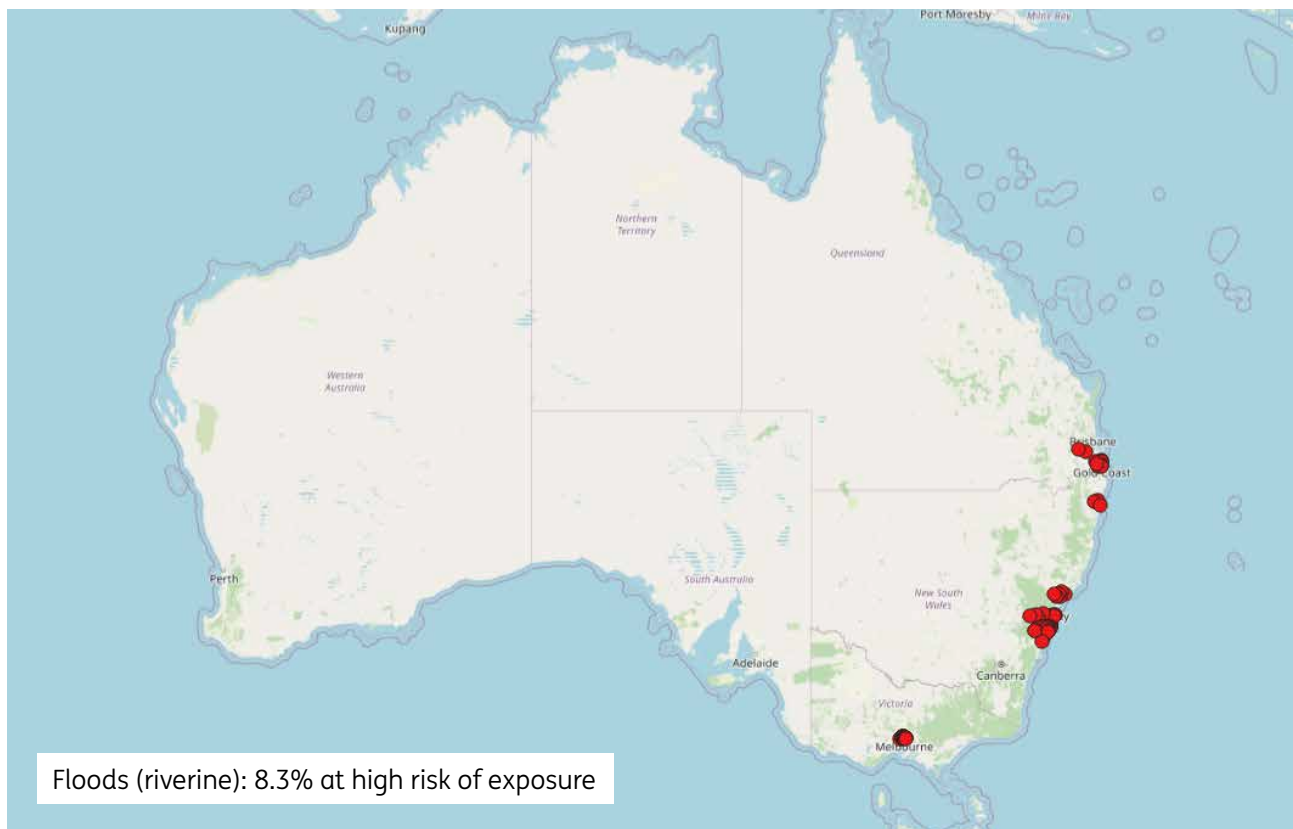
Note: Only exposures representing more than 0.01% of ING Australia's Retail Banking and Business Banking portfolios were included in the assessment. Exposures without available postal codes were also excluded. Together, these criteria resulted in coverage of 97.30% of the overall real estate portfolio value (85.05% of ING Australia's overall loan portfolio) which is considered representative of the portfolio for materiality assessment of physical risk.



**Results of regions exposed to climate risks across Australia:**

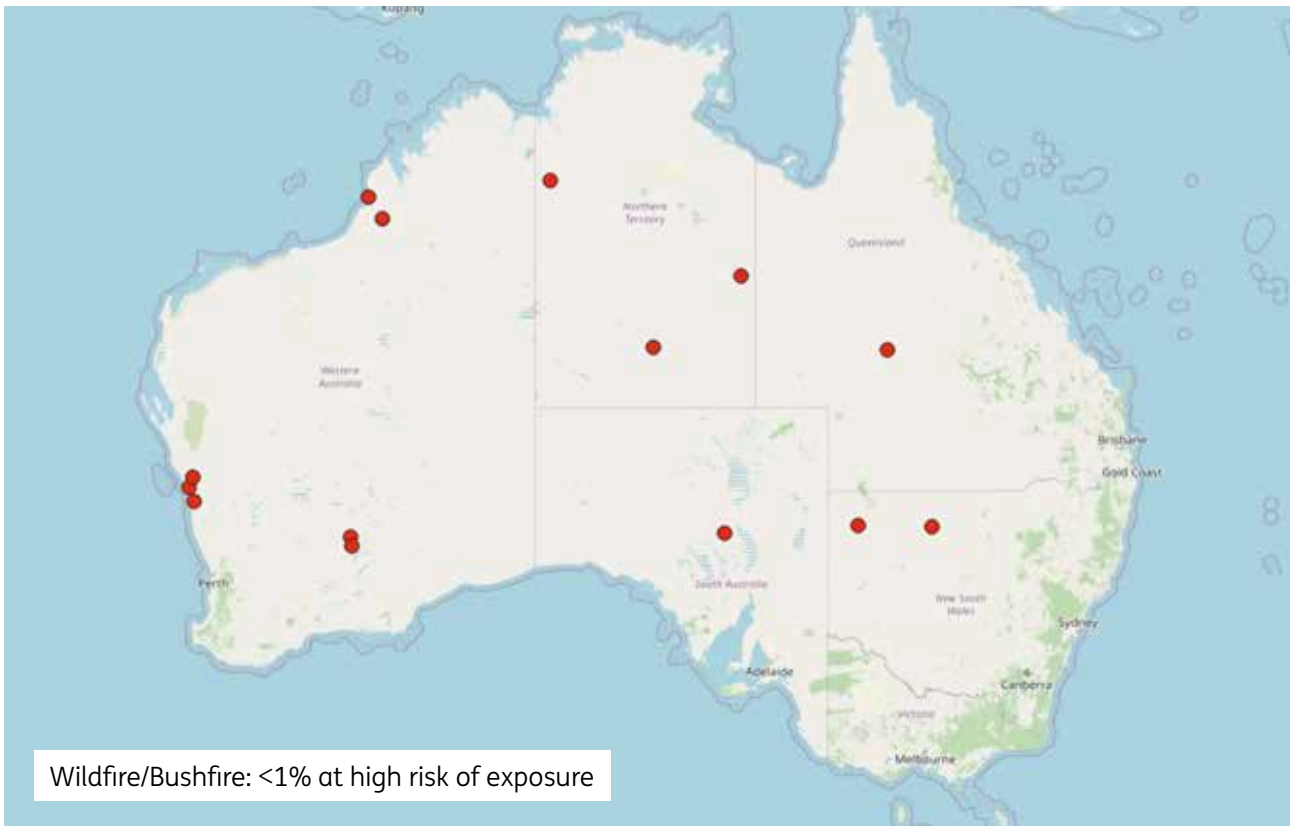
Description	Nature of risk	Rating Assessment
<p><b>Floods (riverine)</b></p>	<p><b>Physical risk:</b> when rivers overflow, potentially affecting nearby businesses and homes, leading to asset and loan losses. Riverine floods can severely damage collateral, disrupt business continuity, and increase recovery costs.</p>	<p><b>Moderate magnitude:</b> ING Australia’s Retail and Business Banking portfolios are predominantly located in regions with low exposure to riverine flood, with limited presence in medium exposure zones. However, a material portion of 8.3% is situated in areas classified as high exposure.</p> <p><b>High Likelihood:</b> Between 2020 and 2025, Queensland experienced a rising trend in significant flood events, from 0 in 2020-2021 to 5 in 2024-2025, all triggering Disaster Recovery Funding Arrangements (“DFRA”) activation (state or territory government immediately after a flood is declared an eligible natural disaster to provide relief and recovery assistance).</p>

**Floods (riverine) exposure on ING Australia’s real estate portfolio**



Description	Nature of risk	Rating Assessment
<b>Wildfire/ bushfire</b>	<b>Physical risk:</b> of uncontrolled fires in natural areas, which could potentially destroy insured assets and halt or disrupt business operations.	<p><b>Moderate magnitude:</b> &lt;1% of ING Australia's Retail and Business banking portfolios are situated in areas classified as high exposure to bushfires.</p> <p><b>Moderate likelihood:</b> The likelihood rating for wildfire risk is assessed as moderate, based on Forest Fire Danger Index ("FFDI") 10days, which measures the number of days with FFDI greater than or equal to 10. Global thresholds were applied, and the observed FFDI 10days values place close to 15% of the portfolio in the moderate-to-high category indicating persistence of fire-prone conditions for a substantial portion of the portfolio.</p>

**Wildfire/Bushfire exposure on ING Australia's real estate portfolio**

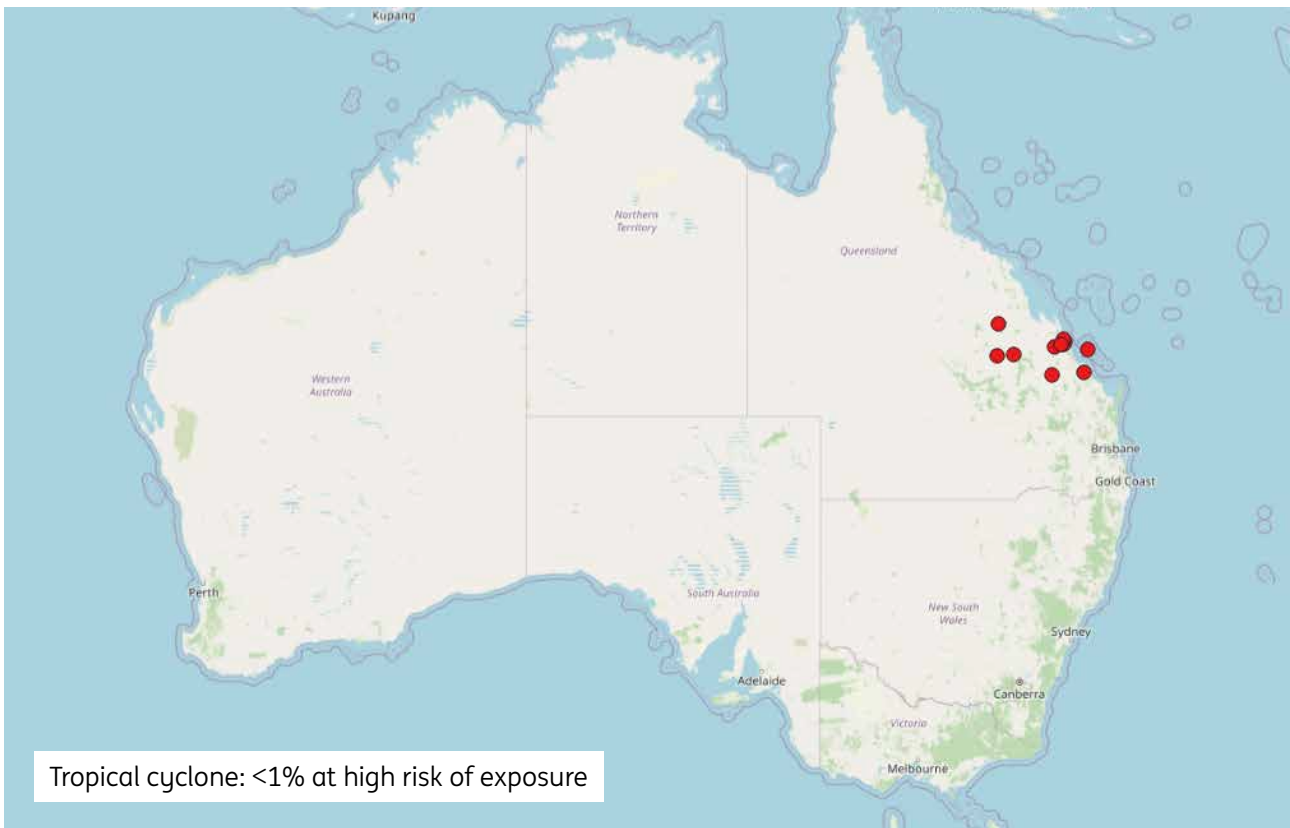


\*note the above only shows high risk exposures.



Description	Nature of risk	Rating Assessment
<p><b>Tropical cyclone</b></p>	<p><b>Physical risk:</b> of intense storms with high winds and rain, potentially causing infrastructure damage and rising insurance claims.</p>	<p><b>Moderate magnitude:</b> ING Australia's Retail and Business Banking portfolios are predominantly located in regions with low exposure to tropical cyclones. However, a small portion, &lt;1% of ING's real estate portfolio, is situated in areas classified as high exposure.</p> <p><b>Moderate likelihood:</b> On average, the Australian region experiences about 11 tropical cyclones annually, with historical variability between 8 and 22 per year (Bureau of Meteorology). From 2020 to 2025, this pattern remained consistent, averaging 12 cyclones annually. However, exposure is not uniform, and the impacts are concentrated in northern and coastal regions.</p>

**Tropical cyclone exposure on ING Australia's real estate portfolio**



\*note the above only shows high risk exposures.



## Transition risk – Exposure in high-emitting sectors<sup>11</sup>

### Scoring criteria

Transition risk				
Risk name	Magnitude	Score	Likelihood	Score
Exposure in high emission industries	Exposure to high-emitting sectors is less than 0.1% of the total portfolio	1	The likelihood of transition risks related to carbon emissions affecting the sectors over the long term is low	1
	Exposure to high-emitting sectors is in between 0.1% and 10% of the total portfolio	2	The likelihood of transition risks related to carbon emissions affecting the sectors over the long term is moderate	2
	Exposure to high-emitting sectors is more than 10% of the total portfolio	3	The likelihood of transition risks related to carbon emissions affecting the sectors over the long term is high	3

Note:

■ Low ■ Moderate ■ High

- All emission-intensive sectors are not necessarily hard to abate, and technological advancements and regulatory incentives may enable certain high emission industries to decarbonise more rapidly than other in the long-term time horizon. In the current assessment, exposure to emission-intensive sectors is grouped under the “hard to abate” category to ensure a conservative estimation of transition risk. This approach intentionally applies a precautionary lens, recognising that parts of the portfolio may transition more quickly but that sector level decarbonisation readiness varies widely. This conservative approach favours prudence where uncertainty exists and helps ensure that IBAL’s portfolio remains robust even under more adverse transition conditions in the long-term time horizon.
- The likelihood of transition risk is assessed over the long term as these risks materialise around 2030 and beyond.
- As part of the adoption of the ING Group ESG Risk Policy locally, Retail Banking and Business Banking have an internal waiver on transition risks associated with these portfolios where the Australian legislative and policy environment is still being formulated.

Description	Nature of risk	Rating Assessment
<b>Exposure to high-emitting sectors</b>	<b>Transition risk:</b> can occur in different forms, during the shift to a low-carbon economy. These transition risks are financial risks that can be driven by policy, technology, and market changes. If clients face higher costs or fail to adapt, ING Australia could be exposed to credit losses through customer defaults and declining collateral values.	<p><b>Moderate magnitude:</b> Retail banking is not exposed to high-emitting sectors as it is entirely exposed to housing. Business banking and Wholesale banking have limited exposure to high emitting sectors. Wholesale Banking has 4% sectoral exposure based on outstandings drawn<sup>12</sup>, representing 0.6% of ING Australia’s total outstandings drawn.</p> <p><b>Moderate likelihood:</b> Current and upcoming Australian regulations present notable challenges for high-emitting sectors, particularly in the context of climate policy and industrial transition.</p>

11 Defined as Iron and Steel production, Cement Production, Aluminium Production, Chemical and Petrochemical, Mining, Heavy Duty Transport, Shipping and Aviation.

12 The rating for magnitude would still be moderate if the analysis is based on limits (on- and off-balance loan commitments) – as Wholesale Banking would have 9% sectoral exposure, representing 1% of ING Australia’s total limits.



## Transition risk – Negative stakeholder opinion

### Scoring criteria

Transition risk					
Risk name	Magnitude		Score	Likelihood	Score
<b>Reputational risk-</b> <ul style="list-style-type: none"> <li>Negative Stakeholder Perception</li> </ul>	<b>Risk of Greenwashing</b> Climate-related statements are consistent across public reports, websites, and media releases	<b>Insufficient green products</b> Broad portfolio of climate-aligned products (e.g. green loans, renewable energy financing)	1	Over the long term, climate risks have limited influence as a key evaluation criterion for external stakeholders such as customers, regulators, investors, and civil society	1
	Climate messaging is present but lacks clarity or consistency across public sources	Limited green offerings that do not fully support climate transition goals	2	Over the long term, climate risks have moderate influence as a key evaluation criterion for external stakeholders such as customers, regulators, investors, and civil society	2
	Climate claims are unclear, contradictory, or absent in public disclosures	No meaningful climate products, seen as lagging in climate action and innovation	3	Over the long term, climate risks have high influence as a key evaluation criterion for external stakeholders such as customers, regulators, investors, and civil society	3

■ Low   
 ■ Moderate   
 ■ High

#### Note:

- The final magnitude score will be derived by averaging the individual scores assigned to greenwashing and insufficient product offerings.
- The likelihood of transition risk is assessed over the long term as these risks materialise around 2030 and beyond. As part of the adoption of the ING Group ESG Risk Policy locally, Retail Banking and Business Banking have an internal waiver on transition risks associated with these portfolios where the Australian legislative and policy environment is still being formulated.

Description	Nature of risk	Rating Assessment
<b>Negative stakeholder perception</b>	<b>Transition risk:</b> engaging in greenwashing or failing to meet stakeholder expectations regarding green or sustainable products may lead to reputational harm and potential legal action, both of which can significantly impact key stakeholders.	<b>Moderate magnitude:</b> assessed on a combination of greenwashing risk (low based on media and peer review) and ING Australia's portfolio (moderate compared to peers).  <b>Moderate likelihood:</b> Given the anticipated moderate influence of climate risk on stakeholder perceptions and decision-making over the long term, the associated likelihood rating has been assessed moderate.



## Climate-related Opportunities

Scoring criteria

Climate Opportunities						
Risk name	Magnitude			Score	Likelihood	Score
	Use of Own Resources/ Portfolio contribution of green products - Current and expected	Reliance on relationships	Financial implications			
<ul style="list-style-type: none"> <li>Providing low carbon lending products to clients</li> <li>Energy efficiency improvement in own operations</li> </ul>	Minimal or no visible climate-related initiatives or investments.	Few or no public partnerships or collaborations on climate-related matters	Less than 0.1% of total revenue or cost savings from climate opportunities, indicating minimal financial realization	1	No publicly disclosed strategy, goals, or KPIs for the opportunity	1
	Some visible initiatives such as pilot projects, limited investments, or published commitments	Moderate number of partnerships or collaborations publicly recognised. Growing network of climate partnerships visible to stakeholders	0.1% to 1% of total revenue or cost savings from climate opportunities, indicating emerging but not yet significant financial contribution	2	Publicly available strategy with some target and reporting	2
	Extensive and sustained climate initiatives disclosed. Clear, publicly documented significant resource commitment	Strong, strategic, and multiple collaborations or endorsements in climate action. High-profile, effective partnerships publicly acknowledged	More than 1% of total revenue or cost savings from climate opportunities, indicating strong financial alignment with the transition economy	3	Comprehensive, transparent strategy with clear goals and progress	3

■ Low
 ■ Moderate
 ■ High

Note:

- The magnitude score will be derived by averaging the individual scores assigned to use of own resources/portfolio contribution, reliance on relationships and financial implications.



## Results for Climate Opportunities:

Description	Nature of opportunity	Rating Assessment
<b>Energy efficiency improvements in own operations</b>	<b>Opportunity:</b> investments in energy-efficient buildings and electric vehicle fleet transitions are key to managing transitional climate risks and enhancing resilience to future regulatory and carbon pricing developments.	<p><b>Low magnitude:</b> Based on the average of the three defined criteria, the overall score is low.</p> <ol style="list-style-type: none"> <li>1. Use of own resources is low as there are currently limited energy efficiency initiatives planned for the offices.</li> <li>2. Reliance on relationships is low, as there are (other than energy attribute certificates), no relationships for energy improvements.</li> <li>3. Financial impact is low as the energy efficiency measures is &lt; 0.1% of total operating expenditure.</li> </ol> <p><b>Low likelihood:</b> ING Australia has a strategy in place but needs to develop local targets.</p>
<b>Providing low carbon lending products to clients</b>	<b>Opportunity:</b> new products addressing climate mitigation solutions continues to expand to meet evolving market and regulatory demands.	<p><b>Low magnitude:</b> Based on the average of the three defined criteria, the overall score is low. ING Australia is moderately positioned compared to peers in terms of portfolio contribution, has limited strategic alliances and low financial implications.</p> <p><b>Low likelihood:</b> ING Australia is still at the early stages of maturity for these products.</p>



## 8.4 Climate-related risks and opportunities at portfolio level

### Retail Banking mortgages

In 2025, we incorporated bushfire and flood data into all valuation journeys for mortgages to provide visibility of physical risks during origination. We also continued to use the Physical Risk Tool (“PRT”) developed by ING Group’s ESG Risk team to measure and assess the physical risk for bushfire and flood at a portfolio level, which is reported to our Credit Risk Committee on a quarterly basis.

As mandatory disclosure of a property’s energy performance is not required at point of sale or lease across all states and territories in Australia, we are unable to consistently utilise energy rating certificates to assess transition risk in our mortgage portfolio. To support our understanding of transition risk we have commenced purchasing proxy energy efficiency data. The business continues to check its ability to identify physical and transition risks and climate-related opportunities at a portfolio level.

### Business Banking

We have commenced work to better understand the physical climate risk impacts on our Commercial Property Finance and Priority Commercial Mortgages portfolios. As we grow our Business Lending portfolio, we continued to conduct portfolio-level physical risk assessments based on bushfire and flood data throughout the year focusing on the short, medium and long term impact on properties held as security for loans within our Business Bank, which is reported to our Credit Risk Committee quarterly.

Physical risks have been identified for our Business Banking portfolio. The business continues to check its ability to identify transition risks and climate-related opportunities at a portfolio level.

### Wholesale Banking

We rely on ING’s Group’s ESG Risk Policy to identify and manage climate-related financial risks for our Wholesale Banking clients and transactions. Climate-risk considerations are integrated into our ESG Risk Customer Assessment and ESG Risk Transaction Assessment processes, which include materiality, scorecard assessments, qualitative reviews, and advice from the ING Group’s Environmental and Social Risk Desk for high-risk clients and transactions. These processes integrate climate-related risks and opportunities into credit approval and ongoing monitoring throughout the credit lifecycle.

Concentrations of climate-related risks for our Wholesale Banking portfolio have not been assessed locally. Globally, ING Group conducts climate stress tests and sensitivity analyses to assess the bank’s resilience to climate and environmental risks. Locally, we have commenced work to further align with ING Group’s approach and have undertaken scenario analysis to deepen our understanding of climate-related risks and opportunities.



## 8.5 Climate-related scenario analysis

We have performed climate scenario analysis to assess the resilience of our strategy and our business model to climate-related changes, developments and uncertainties.

ING Australia selected two scenarios based on Network for Greening the Financial System (“NGFS”) scenarios. Australian specific quantitative output from the scenarios was extracted and combined with qualitative assessments of our local context to ensure we have a localised view of the impacts. An assessment of the resilience of the ING Australia’s strategy and business model was then performed.

### Selected scenarios

ING Australia has selected two scenarios for the 2025 assessment:

- **Net-Zero scenario:** Net-zero GHG emissions are achieved in 2050 through early policy action, technological advances and global coordination. The impact on the economy is modest, with higher energy investment helping to offset carbon taxes. The final temperature in 2100 is 1.5°C above pre-industrial levels. This scenario has medium transition risk impacts and low physical risk impacts.
- **Climate catastrophe:** Governments fail to meet their policy pledges and the concentration of greenhouse gases in the atmosphere intensifies. Global temperatures increase by 2.3°C by 2050, resulting in severe physical damage that accelerates over time. The final temperature in 2100 is 4.8°C above pre-industrial levels. This scenario has low transition risk impacts and high physical risk impacts.

ING Australia selected these scenarios to provide a contrasting view of different potential future pathways reflecting the two primary sources of climate uncertainty. The Net-Zero scenario will have greater impacts on Business and Wholesale Banking, whereas the Climate Catastrophe scenario explores greater physical risk impacts on the Retail Banking mortgages which is our largest lending portfolio.

An overview of the key narrative components are show below, including policy, macroeconomic trends, technology innovation and modelled temperatures.

Scenario	Key narrative components				
<b>Net zero</b>	Net zero carbon emissions are achieved in 2050 through early policy action, technological advances and global coordination. The impact on the economy is modest, with higher energy investment helping to offset carbon taxes.				
	Assumptions			Result	
	Nature of transition	Innovation	Carbon Capture	2050	2100
	Smooth			1.5°C	1.5°C
<b>Climate catastrophe</b>	Government fails to meet their policy pledges and the concentration of greenhouse gases in the atmosphere intensifies. Global temperatures warm by 2.3°C by 2050, resulting in severe physical damages that accelerate over time.				
	Assumptions			Result	
	Nature of transition	Innovation	Carbon Capture	2050	2100
	Incomplete			2.3°C	4.8°C

None
 Low
 Medium
 High
 Very high



## Overview of methodology

For each scenario, bespoke parameters were derived in conjunction with ING Group and Oxford Economics (a global economics advisory firm), including Australian specific macroeconomic forecasts. These parameters are ingested into our stress testing engine to produce five-year projections, which are then extended to 10 years via portfolio level extrapolation anchored to the modelled years 1–5 and adjusted with a point in time multiplier to reflect increasing scenario severity over the long term.

In addition to this, we also estimated impacts for our more significant portfolio and risk combinations. Selected portfolios are determined based on exposure size and available data to undertake risk assessments:

- **Physical Risk:** Physical risk impacts are calculated for the Residential Mortgage portfolio, noting this is IBAL's most material portfolio with the most available granular data on location-specific risks. Riverine Flooding and Wildfire/Bushfire risks are chosen as they pose the greatest risk for IBAL mortgages. Impact of the identified high risk segments based on above-mentioned hazards are assessed through our Expected Credit Loss ("ECL") models.
- **Transition Risk:** Transition risk arises from shifts in policy, technology and/or market preferences during the move to a low-carbon economy. Stress arising from Transition risk is applied by leveraging the Oxford Economics scenario-specific macroeconomic forecasts and applying them in our ECL models. Impact manifested through macroeconomic scenarios is also considered in sector-specific outcomes (e.g. within Wholesale Bank).

## Outcomes and assessment of resilience

The assessment below is based on the modelled risk intensity, reflecting changes in each portfolio's coverage ratio.

Risk intensity	Net zero			Climate catastrophe		
	Short (1 yr)	Medium (2-5 yrs)	Long (6-10 yrs)	Short (1 yr)	Medium (2-5 yrs)	Long (6-10 yrs)
Retail	●	●	●	●	●	●
Wholesale	●	●	●	●	●	●
Business Banking	●	●	●	●	●	●
Total	●	●	●	●	●	●

● Low   ● Medium   ● High

Based on the scenarios assessed, ING Australia considers that its strategy and business model are currently resilient to climate-related changes, developments and uncertainties over the 10-year time horizon assessed. Given this outcome, we believe we maintain the financial flexibility to respond to CRROs, as and when needed, with current activities detailed in Section 8.1. This includes flexibility in our asset management and investment planning.

We acknowledge that climate-scenario analysis is a developing area, and we expect to continue to see further developments and maturity in this space over coming years. As we continue to gain more clarity on the future pathways and likelihood of scenarios, we will continue to develop our climate-scenario analysis and its linkage to strategic decision making and risk management activities.



## Limitations and uncertainties

ING Australia's climate scenario analysis is an exploratory tool to illustrate plausible transition and physical pathways. It is not a prediction or forecast, nor a precision estimate of future losses. Results will evolve as our understanding, data, methods and scenarios are updated.

- Climate models simulate future conditions under various warming paths but carry uncertainty due to model complexity. The potential for 'tipping points' to occur adds additional uncertainty and complexity. We continue to enhance our climate modelling capabilities, including improving granular accuracy of climate hazards.
- The more significant areas of divergence between the two scenarios occurs beyond the 2035-time horizon assessed through our stress testing capabilities. Where possible, we tried to front load some of these impacts into our long-term view.
- Long-term economic projections (10 years) rely on assumptions about policy, technology, and climate impacts, creating uncertainty in both physical and transition risks. Given the inherent uncertainty in climate/physical risk models, short term outputs and long dated extrapolation should be considered as indicative ranges.
- Scenarios capture cumulative effects of climate events, not timing or severity of individual shocks, which may understate localised losses.
- Transition risks arise from carbon pricing and demand shifts, increasing the uncertainty of forecasts. In alignment with our current local ESG Risk Policy waiver, transition risks associated with energy usage and mix in our Retail Banking and Business Banking portfolios are not assessed.
- Network for Greening the Financial System ("NGFS") scenarios tailored for Australia by Oxford Economics use global and domestic assumptions that may not hold under future conditions.
- Projections depend on balance sheet and macro assumptions that could diverge from reality, especially with unknown technological and structural changes. There is wide dispersion in bank methodologies, results and regional/industry exposures, severely limiting comparability.



## 8.6 Current and anticipated impacts to Climate-related risks and opportunities

ING Australia determines that:

- As per the materiality assessment, only flood (riverine) risk has been determined to be material and amounts below quantified. The CRROs do not have a material impact on the Balance Sheet, Statement of comprehensive income or Statement of cashflows, and there is no significant risk of material adjustment in the next annual reporting period to the carrying amount of assets and liabilities.
- As detailed in s8.1 the current strategy to manage CRROs (including initiatives in the ESG Action Plan) is via our ING Transformation Portfolio where on an annual basis funding envelopes are allocated to prioritised projects (e.g. Net Zero Housing project) and internal or external full-time-equivalent resources augmented with external vendors where required to deliver initiatives.
- Across the value chain, physical, transition and opportunity-related climate factors are expected to influence ING Australia's interactions for example, with external partners, including mortgage brokers, valuation providers, climate-data vendors and service providers supporting home-energy upgrades. While these effects are not currently material, anticipated impacts include increased data and verification requirements, changes in valuation coverage in higher-risk regions, and greater collaboration with external providers to support customer uptake of low-carbon lending products and energy-efficiency improvements.
- Looking ahead, ING Australia anticipates continued shifts in its business model in response to CRROs including further development of the activities detailed in each of the portfolios identified in Section 8.1, and resource allocation to evolve accordingly. At this time ING Australia does not anticipate any decommissioning or disposal of carbon- or energy-intensive operations, as such operations are not material to its business model.
- ING Australia has prepared these disclosures using all reasonable and supportable information available at the reporting date, including the independent materiality assessment completed in late 2025, internal lending portfolio data and the outputs of the 2025 climate scenario analysis. The approach taken reflects the current skills, capabilities and resources available to ING Australia. At this stage, the anticipated financial effects of climate-related risks and opportunities are not separately identifiable to a decision-useful level and would be subject to a high degree of measurement uncertainty, including uncertainties in climate pathways, macroeconomic assumptions and insurance availability in higher-risk regions. Producing granular quantitative estimates would also require further development of modelling capability, data infrastructure and tooling specific to ING Australia's lending portfolios. For these reasons, quantitative information is not provided for this reporting period, and only qualitative insights have been included, together with identification of the financial statement line items that may be affected under different climate-related conditions. Quantifying the combined financial effects of climate-related risks and opportunities with other factors would not be useful at this stage given the extent of modelling and data uncertainty. ING Australia expects to progressively expand the use of quantitative analysis as methodologies, data inputs and internal capabilities mature.



CRRO	Time horizon	Financial Statement impacts	Impacts to Business Model and Value Chain
Physical risks: including floods (riverine), tropical cyclone, bushfire.	Assessed using a 2030 horizon under RCP 8.5. The likelihood of physical risk is assessed over the long term, as their frequency and severity are expected to increase over time.	8.3% of ING Australia's total lending portfolio <sup>13</sup> comprising of \$5,989m Retail Banking mortgages, and \$271m relates to Business Banking loans has been determined to have high exposure to flood (riverine) risk. Bushfire and Cyclone were assessed as not material and amounts have not been quantified for the reporting period.  Increases in physical risk could impact the Loans and advances on the Balance Sheet, Interest income and loan impairment in the Statement of comprehensive income, and the Cash flows from operating activities in relation to the Statement of Cashflows.	Physical risks are expected to influence ING Australia's business model through adjustments to product mix (e.g., expansion of retrofit-linked loans), pricing and risk appetite (incorporation of physical risk at origination and in portfolio monitoring), and collateral standards for high-risk areas.  Across the value chain concentrations arise in real estate collateral located in regions with elevated physical-risk exposure.

13 The % applied for high flood risk is based on the materiality assessment results as detailed per the independent assessment conducted in late 2025 – please see Section 8.3.



CRRO	Time horizon	Financial Statement impacts	Impacts to Business Model and Value Chain
Transition risks (Exposure in high-emission industries and negative stakeholder perception).	Assessed over the long term, consistent with anticipated evolution of policy, stakeholder expectations, and sectoral transitions.	<p>The climate-related transition risks were assessed as not material and amounts have not been quantified for the reporting period.</p> <p>Increases in transition risk could impact the Loans and advances and provisions on the Balance sheet, Interest income and operating expenses in the Income Statements and the cashflows from operating activities in the Statement of cashflows.</p>	<p>Potential impacts of transition risk on the business model include areas of credit risk, asset valuations, costs for compliance, costs of capital and funding as well as reputational and litigation risks.</p> <p>The value chain could be impacted by increased compliance requirements and scrutiny of clients.</p>
Energy efficient improvements in own operations.	Climate-related opportunities were assessed across short, medium and long-term horizons, depending on product uptake and internal capability development.	<p>The climate-related opportunities were assessed as not material and amounts have not been quantified for the reporting period.</p> <p>Increased energy efficiency in own operations could impact the operating costs in the Income statements, and the operating activities in the Statement of cashflows.</p>	Energy efficiency improvements could lead to a decrease in electricity bills and the savings then reinvested in other areas within the Bank.
Providing low carbon lending products to clients.		<p>The climate-related opportunities were assessed as not material and amounts have not been quantified for the reporting period.</p> <p>Increased low carbon lending products to clients could impact the Loan and advances on the Balance Sheet, Interest income and loan impairment in the Statement of comprehensive income, and the cash flows from operating activities in relation to the Statement of Cashflows.</p>	<p>Potential impacts for the business model include the product mix driven by demand for low carbon lending products.</p> <p>The value chain could be impacted with increased revenue from these products.</p>



# 9

# Risk

# management.

ING Australia identifies, assesses, monitors and manages climate-related risks and integrates those as opportunities into our overall risk management processes.



## 9.1 ESG Risk Framework

ING Group's Risk Inventory recognises ESG risks as risk drivers due to their potential to impact existing financial and non-financial risk types. ING Australia undertakes an annual assessment of the applicability of the Risk Inventory to local conditions and in 2025 ESG risks were confirmed as relevant for the ING Australia.

ING Australia adopted the ING Group ESG Risk Framework and ESG Risk Policy with a Local Annex in June 2025, replacing the former Environmental Risk Policy, simplifying and strengthening obligations for climate risks. The ESG Risk Framework and ESG Risk Policy provide the overarching principles for identifying, assessing and managing ESG risks, including climate-related physical and transition risks.

The Local Annex enables ING Australia to apply the global ESG Risk Policy within the local regulatory, market and portfolio context. This includes integrating Australian-specific regulatory expectations and constraints, as well as local portfolio characteristics, into risk identification, assessment and management processes. Within the Local Annex, Retail Banking and Business Banking have an internal waiver on certain transition risk obligations associated with these portfolios where the Australian legislative and policy environment is still being formulated.

In 2025, ING Australia completed the first locally performed climate scenario analysis (see Section 8.6). The outputs support risk identification and assessment but are not yet fully integrated into existing processes.

## 9.2 Integration into overall risk management

As risk drivers, climate-related risks are integrated into ING Australia's broader Risk Management Framework and assessed as part of credit, liquidity, market and non-financial risks, through both quantitative and qualitative assessments. Climate-related risks are therefore subject to the same risk management framework components as all other risk types, including materiality and prioritisation processes. The ESG Risk Framework and ESG Risk Policy provide definitions, methodologies and minimum standards for identifying, assessing and, where material risks are identified, managing climate-related physical and transition risks. These are supported by internal controls, guidelines and mandatory instructions.

### Risk Identification and Assessment:

- **Credit Risk:** For property-secured lending in Retail and Business Banking, climate-related physical risks are identified using the Physical Risk Tool ("PRT") developed by ING Group's ESG Risk team which uses quantitative data sources<sup>14</sup>. The tool geolocates property addresses and assesses quantitative exposure to two chronic and eight acute physical hazards across multiple time horizons. Portfolio-level analysis of exposure has identified bushfire and riverine flooding as material physical risks for the Australian mortgage and commercial property portfolios.

During loan origination, third-party climate risk data is used during the valuation process to assess climate-related hazards at the collateral level for all property-secured transactions. Identified risks are considered during credit decisions and quantitative values above a set level may trigger additional mitigants such as adjusted loan conditions or enhanced security reviews.

For the Wholesale Banking clients and transactions, transition and physical risks are assessed quantitatively and qualitatively using the ING Group ESG Risk Customer Assessment and ESG Risk Transaction Assessment processes, including advice from the ING Group's Environmental and Social Risk Desk for high-risk clients and transactions.

14 The data sources used are either recommended by regulators, reputable science-based organisations and/or subject to peer review. They are aligned to a single RCP.



- **Market and Liquidity Risk:** Climate-risk drivers are incorporated into the identification and materiality assessment processes for market and liquidity risk.
- **Non-financial Risk:** Physical risk considerations are embedded into operational and business continuity risk assessments, including evaluation of exposure of ING Australia office and datacentre locations to climate-related hazards using the PRT. Climate risk drivers are also embedded in the Internal & External Events process via Environmental Risk guidance. To identify and mitigate greenwashing risks, a greenwashing prevention assessment is required for all relevant product changes and approvals, completed by the business and reviewed by Compliance.

### **Risk Management and integration into business as usual processes**

Climate-related risks influence a range of risk management processes, including credit policy settings, sector appetite reviews, portfolio monitoring, and stress testing. Material climate-related exposures or emerging risks identified through these processes are escalated to relevant management committees (e.g., RACC, CRC, FBSC) and, where appropriate, to the Board Risk Committee. The ESG Risk Framework and its components are reviewed regularly to ensure alignment with risk appetite, organisational developments, regulatory expectations and market changes.



# 10 Metrics and targets.



## 10.1 Greenhouse gas emissions by category

ING Australia measures its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol and takes an operational control approach to establish reporting boundary. The emissions below are based on the main office building located in Sydney, the call centre in Wyong and datacentres. The following activities are in scope for the reporting:

- emissions from natural gas (Scope 1) for the Sydney building;
- emissions from diesel (Scope 1) for Sydney and Wyong buildings; and
- purchased electricity for all locations.

### GHG emissions – location based (Australia)

Scope 1 emissions <sup>1</sup>	2025 (tCO <sub>2</sub> -e)
Diesel	4
Natural Gas	41
<b>Total Scope 1 emissions</b>	<b>45</b>

Scope 2 emissions <sup>1</sup>	2025 (tCO <sub>2</sub> -e)
<b>Total Scope 2 emissions (location-based)<sup>2</sup></b>	<b>1,419</b>
<b>Total Scope 2 emissions (market-based)<sup>3</sup></b>	<b>-</b>

<b>Total carbon emissions<sup>4</sup></b>	<b>45</b>
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Footnotes for this page only:

1. Scope 1 and 2 emissions are reported for ING Australia. Disclosures are thus disaggregated from ING Group. The Scope 1 and 2 emissions have been converted using relevant Australian National Greenhouse Account (“NGA”) factors.
2. For Scope 2 location-based emissions, figures are disclosed on a gross basis without GreenPower or Energy Attribute Certificates (“EACs”).
3. For Scope 2 market-based emissions the Sydney and Wyong offices apply GreenPower credits and EACs are applied to the emissions of the data centres. Where ING does not maintain management control over buildings, we procure EACs which represent the environmental attributes of the generation of one megawatt hour (“MWh”) of electricity produced by renewable sources. EACs are market mechanisms that are recognised under government frameworks and RE100 guidelines.
4. The total actual carbon is the sum of Scope 1 and Scope 2 (market-based) emissions consistent with the Greenhouse Gas Protocol, which converts the following gases (carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>) into CO<sub>2</sub> equivalent. Data may sometimes not be complete for all emission categories. In case of incomplete or missing data, some figures may be based on assumptions and extrapolations based on actual data and the context for consumption. The base year will be recalculated on best effort basis with the aim to ensure consistency and relevance of reported data.



Emission category	Activity	Data sources	Methodology, data quality and uncertainty
<b>Scope 1 – Stationary Combustion (Diesel)</b>	Diesel consumed by the backup generator within the primary office building.	Annual building energy performance reporting provided by the building manager.	<ul style="list-style-type: none"> <li>▪ ING Australia occupies a defined proportion of the total building area. Diesel consumption is therefore allocated based on ING Australia’s share of occupied floor space, using total building diesel usage reported by the building manager.</li> <li>▪ Allocated diesel consumption (litres) is converted to energy (“MJ”) within internal working files and then entered Sphera for emissions calculation.</li> <li>▪ NGA/Department of Climate Change, Energy, the Environment and Water (“DCCEEW”) diesel emission factors are applied to allocated diesel quantities to calculate Scope 1 emissions.</li> <li>▪ Allocation methodology is applied consistently across reporting periods and considered a reasonable proxy where direct metering is not available.</li> <li>▪ Data completeness is assessed by reconciling allocated consumption to source energy reports.</li> <li>▪ Uncertainty is moderate, primarily due to the allocation approach. Emission factor uncertainty is low.</li> </ul>
<b>Scope 1 – Stationary Combustion (Natural Gas)</b>	Natural gas used for heating within the primary office building.	Annual building energy performance reporting provided by the building manager.	<ul style="list-style-type: none"> <li>▪ ING Australia’s share of natural gas consumption is determined by applying its proportion of occupied floor space to total building natural gas use.</li> <li>▪ Natural gas consumption is provided in MJ and incorporated into internal working files before being entered into Sphera.</li> <li>▪ NGA/DCCEEW natural gas emission factors are applied to calculate Scope 1 emissions.</li> <li>▪ This allocation method is consistently applied and considered appropriate in the absence of direct sub metered consumption.</li> <li>▪ Data completeness is validated by reconciling allocated volumes with total natural gas usage provided by the building manager.</li> <li>▪ Uncertainty is moderate, reflecting reliance on allocation; emission factor uncertainty is low.</li> </ul>



Emission category	Activity	Data sources	Methodology, data quality and uncertainty
<p><b>Scope 2 – Purchased electricity (location based)</b></p>	<p>Electricity consumed within the primary and secondary office sites, and electricity used within located data centre facilities.</p>	<p>Electricity invoices issued by the relevant energy retailers for office sites.</p>	<p>Office electricity consumption is taken from energy invoices and entered into internal working files, which extrapolate consumption to the reporting period before upload to Sphera.</p> <ul style="list-style-type: none"> <li>▪ Data centre electricity consumption is based on measured cabinet-level energy consumption provided by the operator.</li> <li>▪ Location based emissions are calculated using DCCEEW grid average electricity emission factors for the relevant jurisdiction.</li> <li>▪ Data completeness is verified by reconciling invoice totals and data centre power reports with internal records.</li> <li>▪ Uncertainty is low to moderate, driven by reliance on third party consumption records and periodic updates to published grid emission factors.</li> </ul>
<p><b>Scope 2 – Purchased electricity (market-based)</b></p>	<p>Electricity consumption at office sites supported by GreenPower purchases, and electricity consumed at data centres where EACs are used.</p>	<ul style="list-style-type: none"> <li>▪ Electricity invoices evidencing GreenPower purchases at office sites.</li> <li>▪ Internal records of EAC procurement for data centre energy consumption.</li> <li>▪ Monthly data centre energy usage reports</li> </ul>	<p>Market based electricity emissions are calculated in accordance with the GHG Protocol Scope 2 Guidance, incorporating contractual instruments including GreenPower (office sites) and EACs (data centres).</p> <ul style="list-style-type: none"> <li>▪ Residual Mix Factors (“RMF”) are sourced from DCCEEW annual emissions factor guidance for the applicable reporting period.</li> <li>▪ GreenPower purchases reduce market based emissions for office sites to zero.</li> <li>▪ EAC purchases reduce market based emissions for data centre consumption where ING does not control the underlying energy supply.</li> <li>▪ Data completeness is assessed by reconciling renewable certificate purchases, GreenPower attributes and data centre energy consumption records.</li> <li>▪ Uncertainty is moderate, due to reliance on certificate markets and RMF assumptions; emission factor uncertainty is low.</li> </ul>



## 10.2 Performance against own emissions target

In 2025, ING Australia had own operational emissions (mitigation) reduction target to decrease Scope 1 and Scope 2 greenhouse gas emissions by 5% relative to the 31 December 2024 base year for internal reporting to ING Group. Reporting to ING Group of the Scope 1 and Scope 2 emissions is aligned to the GHG protocol<sup>15</sup>, and uses the UK government's Department of Environment, Food, and Rural Affairs ("DEFRA") emission factors. This target is an absolute emissions reduction target and applies to ING Australia's operational footprint, using a location-based methodology prior to the application of offsets. Given the target was for internal reporting only, it was developed internally without reference to international agreements on climate change, sectoral decarbonisation approaches, nor was it validated by a third party.

ING Australia achieved a 10% reduction in Scope 1 and 2 emissions during the year ended 31 December 2025 of 1,382 tCO<sub>2</sub>-e, compared with 1,535 tCO<sub>2</sub>-e in 2024, exceeding the annual reduction target<sup>16</sup>. The reduction was primarily driven by operational efficiency improvements and lower fuel and electricity consumption across office locations. Emissions for both 31 December 2025 and 31 December 2024 were calculated using the current year location based DEFRA emission factors, so the change in emissions factors does not materially affect year on year comparability.

At ING Australia the local target is reviewed annually as part of the ESG Action Plan update cycle, with adjustments made to reflect operational changes, emerging regulation, and performance trends. The target will be reviewed during the next annual planning cycle to determine whether a revised target or an accelerated reduction trajectory is appropriate. Progress against the climate-related target is monitored through the ESG Action Plan. The performance against operational emissions targets is monitored through the quarterly reporting to ING Group and reported to the CCRC. These reporting processes support timely oversight, identification of variances, and implementation of corrective actions as required.

At present, ING Australia has not set its own long-term absolute or intensity-based emission target and has not established interim milestones. ING Australia intends to continue aligning its operational emissions trajectory with ING Group's overall climate direction as its local target-setting approach is developed.

## 10.3 Approach to setting and reviewing targets at ING Group for Terra

At ING Group, Terra is the foundation of our sector transition approach. For each included sector, we use dedicated methodologies to set decarbonisation targets based on sector-specific net zero pathways. We measure how our portfolios clients have progressed against certain pathways and identify the corresponding actions to further support our clients in their transition. Emissions intensity is one of several indicators considered during the credit risk assessment. Our climate risk assessment informs how we manage climate-related risks such as the risk of stranded assets, revenue instability, declining demand, regulatory uncertainty, litigation risk or uninsurable areas or assets due to extreme weather events, among other matters, across our overall lending portfolio. We assess clients individually and objectively, based on financial and credit-risk analysis and in line with applicable laws and regulations. Progress against sector transition plans is reviewed quarterly by the ING Bank N.V. Management Board Banking and communicated to ING Australia.

15 Covers all greenhouse gases included in our Scope 1 and Scope 2 CO<sub>2</sub>-e inventory, consistent with the Greenhouse Gas Protocol. The gases included are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

16 Underlying energy use (measured in MJ) decreased by approximately 10% year-on-year. Under AASB S2 reporting, different emission factors are applied in Australia and the total Scope 1 and Scope 2 emissions has reduced by 13% with 1,464 CO<sub>2</sub>-e for the year ended 31 December 2025 compared with 1,672 CO<sub>2</sub>-e for the year ended 31 December 2024.



## 10.4 Capital deployment

During 2025, \$2.6b of sustainable finance<sup>17</sup> was funded through ING Australia's Wholesale Bank division.

## 10.5 Internal carbon prices

ING Australia does not apply an internal carbon price and hence does not consider such a pricing mechanism within their decision-making process.

## 10.6 Carbon credits

We take accountability for our unabated emissions and look for ways to contribute to impactful projects that can mitigate climate change outside of our value chain. We do not use voluntary carbon credits. Instead, our approach focuses on contributing to organisations that restore nature, empower communities and develop carbon removal technologies.

## 10.7 Executive remuneration

Specific sustainability targets were assigned to senior executives as part of their overall performance scorecard that is referenced when determining final variable remuneration outcomes. For the senior executives with sustainability targets had between 5–10% of the scorecard directly related to sustainability targets. These targets focus on supporting sustainability related customer actions, for example green upgrade loans.

<sup>17</sup> This is defined as new limits in the 2025 year which include on- and off-balance loan commitments, bank accepted guarantees and letters of credit. These sustainable finance products include green loans and green guarantees, sustainable loans, sustainability-linked loans and scorecard transactions.



## 10.8 Quantification of material Climate-related risks and opportunities

### Climate-related physical risks

As at 31 December 2025, ING Australia identified flood (riverine) risk as its only material climate-related physical risk, primarily impacting the residential and commercial real estate loan portfolio. Loans secured by properties located in areas assessed as having high flood risk total \$6,260m, representing approximately 8.3% of ING Australia's total lending portfolio<sup>18</sup>. Of this exposure, \$5,989m relates to Retail Banking mortgages, and \$271m relates to Business Banking loans.

### Transition risk

No climate-related transition risks were assessed as material for the reporting period and accordingly, no loan exposures have been classified as vulnerable to material climate-related transition risks as at 31 December 2025.

### Climate-related opportunities

As per the materiality assessment in Section 8.3, no climate-related opportunities were assessed as material for the reporting period.

<sup>18</sup> The % applied for high flood risk is based on the materiality assessment results as detailed per the independent assessment conducted in late 2025 – please see Section 8.3.



## Directors' Declaration

In the opinion of the Directors of ING Bank (Australia) Limited, reasonable steps have been taken to ensure the substantive provisions of the Sustainability Report including:

- The climate statements and notes; and
- The statements and notes required as at 30 March 2026 by legislative instrument.

For ING Australia set out on pages 15 to 57, are in accordance with the Corporations Act 2001 (Cth) including section 296C and section 296D are in compliance with the Australian Sustainability Reporting Standards (being AASB S2 Climate-related Disclosures).

Signed in accordance with a resolution of the Directors:



Dr John Laker  
Chairman



Melanie Evans  
Director

Sydney  
30 March 2026





# Independent Auditor's Review Report

To the shareholders of ING Bank (Australia) Limited

**Report on specified Sustainability Disclosures of ING Bank (Australia) Limited presented in the Sustainability Report titled "ING Bank (Australia) Limited disclosures aligned with Australian Sustainability Reporting Standards S2" prepared in accordance with the Corporations Act 2001**

## Review Conclusion on specified Sustainability Disclosures as required under the Corporations Act 2001

We have conducted a review of the following specified Sustainability Disclosures presented in the Sustainability Report of ING Bank (Australia) Limited titled "ING Bank (Australia) Limited disclosures aligned with Australian Sustainability Reporting Standards S2" for the year ended 31 December 2025 in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

<b>Specified Sustainability Disclosures</b>	<b>Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)</b>	<b>Locations in Sustainability Report</b>
<i>Governance disclosures</i>	<i>Paragraph 6</i>	Section 7. Governance on pages 20-23 Subsection 9.2. Integration into overall risk management - paragraph 1 on page 49
<i>Strategy (risk and opportunities) disclosures</i>	<i>Subparagraphs 9(a), 10(a) and 10(b)</i>	Subsection 8.3. Understanding climate-related risks and opportunities – table of CRROs on page 30 Subsection 8.3. Understanding climate-related risks and opportunities - "Description" and "Nature of risk/opportunity" on page 34-38 and page 40.
<i>Scope 1 greenhouse gas emissions</i>	<i>Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)</i>	Subsection 10.1. Greenhouse gas emissions by category on page 52, including the emissions calculation methodology described on page 53
<i>Scope 2 greenhouse gas emissions</i>		Subsection 10.1. Greenhouse gas emissions by category on page 52, including the emissions calculation methodology described on page 54

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The requirements of AASB S2 identified in the table above form the Criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

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

## Basis for Conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

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

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

Our responsibilities under ASSA 5000 are further described in the "Our responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited related to sustainability assurance engagements.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard 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.

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

## Other Information

The Directors of ING Bank (Australia) Limited are responsible for the other information. The other information comprises the *financial and non-financial information included in* ING Bank (Australia) Limited disclosures aligned with Australian Sustainability Reporting Standards S2 but does not include the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion thereon, with the exception of the Financial Report and our respective audit reports.

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





report in this regard.

## Responsibilities for the specified Sustainability Disclosures

The Directors of ING Bank (Australia) Limited are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

## 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 material misstatement in the specified Sustainability Disclosures may occur and not be detected. 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.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

## Auditor's Responsibilities

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

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

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





## Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Enquired with relevant ING Bank (Australia) Limited personnel to understand the governance structures and reporting process;
- Enquired with relevant ING Bank (Australia) Limited personnel to understand the process for developing the climate governance, strategy and metrics and targets disclosures;
- Obtained an understanding of relevant processes, information flow and related systems for key data sets;
- Reviewed internal documentation including policies, charters, minutes of meetings, risk management frameworks, and basis of preparation documents;
- Reviewed ING Bank (Australia) Limited's process undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;
- Assessed the suitability and application of the Criteria in respect of the Specified Sustainability Disclosures;
- For Scope 1 and 2 greenhouse gas emissions, tested underlying data to source documentation on a sample basis; and,
- Reconciled the Specified Sustainability Disclosures to underlying information.



KPMG



Daniel Camilleri

*Partner*

Sydney

30 March 2026





# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of ING Bank (Australia) Limited

I declare that, to the best of my knowledge and belief, in relation to the review of specified sustainability disclosures in the sustainability report of ING Bank (Australia) Limited for the financial year ended 31 December 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Daniel Camilleri

Partner

Sydney

30 March 2026

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This report may contain forward-looking statements, estimates, forecasts, targets, prospects, or assumptions based on elements of subjective judgment and analysis.

ING Bank (Australia) Limited is a subsidiary of the publicly listed ING Groep N.V.

