

# ESG Framework. November 2023

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**resimac**





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As an Australian ASX Listed entity providing mortgage funding for many Australian and New Zealand communities, we acknowledge our approach to Environmental, Social and Governance responsibilities is a key factor for many of our customers, investors and employees.

As a business, we incorporate ESG into our strategy and way of thinking. We believe it is important that our people have ownership of our ESG initiatives. This is why we have a people-run Environmental, Social and Governance Committee with representation from every team in the business that reports to the CEO and Resimac Board. Resimac's overarching Environmental, Social and Governance (ESG) purpose is:

### **PASSION**

We understand that it is our duty to incorporate sustainability into the fabric of our organisation, ensuring we can drive action that benefits our people, customers, business partners, investors, shareholders, and the community.

### **INCLUSION**

Everyone must play their part, however small, to achieve meaningful change in our communities, countries and within our global network.

### **ACCOUNTABILITY**

It is our responsibility to ensure that the services we deliver are ethical and sustainable.

# Our focus.

The United Nations has embraced 17 Sustainable Development Goals (SDGs), and Resimac supports all these objectives. In alignment with the strategic direction set by the Resimac Board and management in 2022, we are focusing on the following SDGs:



## Good Health and Well-Being

To ensure healthy lives and promote well-being for all at all ages.



## Quality Education

To ensure inclusive and quality education for all and promote lifelong learning.



## Climate Action

To take urgent action to tackle climate change and its impacts.

## Environmental factors

In conducting our business, we consider environmental factors such as climate change, energy efficiency, reduction of carbon footprint, waste treatment practices and natural resource conservation.

## Social factors

The social factors we consider as a business include human capital (remuneration practices, diversity, anti-discrimination, and solid embedded values), workplace health and safety, community, and stakeholder relations (volunteering, community funding and customer advocacy).

Companies that respect human rights face a lower level of social risk and should be more financially sustainable, which in turn enables them to deliver better long-term returns for their shareholders and investors. Therefore, how we engage with our employees and with the wider community is of the utmost importance.

## Governance factors

Resimac has a strong governance framework in place. This ensures all regulatory obligations are adhered to in line with our Australian Financial Services and our Australian Credit Licence requirements, and as an ASX-listed entity. We have several committees, policies, and procedures in place to support this framework.

These committees include:

- Risk & Compliance;
- Audit;
- Remuneration & Nominations;
- Asset & Liability;
- Credit;
- Technology, Digital & Innovation; and
- Diversity, Equity & Inclusion.

The policies we have in place to uphold the ethical conduct of our people include but are not limited to:

- Code of Ethics;
- Modern Slavery Statement; Conflicts of Interest;
- Securities Trading Policy;
- Breach & Incident Policy & Reporting;
- Anti-Bribery & Corruption Policy;
- Anti-Money Laundering Program; and
- Whistleblower Policy.

In addition, our people undergo regular training in compliance, risk and cyber security to ensure we remain vigilant against emerging threats that may be detrimental to our business.

# Environmental.

## | The environment

As a leading mortgage provider, we understand the importance of supporting the environment.

Resimac is conscious of our carbon footprint, and we aim to conduct our business in an environmentally responsible fashion. To help us achieve this, we have teamed up with Plant Trees Australia, an online platform run by Carbon Positive Australia that helps fund community tree-planting projects. As part of the loan settlements process, our customers have an opportunity to select a community tree planting project they would like to support, and we contribute funds to those projects on their behalf.

These projects are:

### 1. 'Pocket forest'

In schools and communities across Australia. This project funds compressed forests in schools and community parks. For schoolchildren, it offers multiple learning opportunities and practical action against climate change.

### 2. Biodiversity and ecosystem restoration in Victoria and Western Australia

These projects engage with rural and metro communities across Victoria and Western Australia to restore degraded land and increase biodiversity in agricultural landscapes.

### 3. Indigenous-led projects in Western Australia and Central Australia

These projects focus on bringing the community together, with initiatives that support tree nursery establishment, seed collection and tree planting.

Under our previously held decade-long partnership with Carbon Conscious, we planted over 46,000 trees, which has offset nearly 5 million kilograms of carbon from the Earth's atmosphere over their lifetime, contributing to a more sustainable environment.



At Resimac, we aim to conduct our business in an environmentally responsible manner.



# Social.

Our social responsibilities extend across a range of groups, including our employees, customers and those in our society who need assistance. We apply the framework of our Corporate Values to all our activities, which helps us identify the most effective approach.

## Employees

### Our values

It is paramount to the future of our business that our employees conduct themselves in a way that allows us to deliver great service to our customers and stakeholders. This means displaying the company's values of Respect, Purposeful, Opportunity, and Accountability.

### Employee wellbeing

We believe an engaged team that is recognised for their contribution and values supports a sustainable and successful business. At Resimac, we offer several benefits to our people. These benefits include:

- ✔ Study support to assist our employees financially with their personal development and career ambitions.
- ✔ A monthly wellness hour.
- ✔ Employee Assistance Program.
- ✔ A community day to allow each employee to participate in community activities, whether assisting the elderly, volunteering, or charitable work.
- ✔ Purchased leave.
- ✔ A flexi day.
- ✔ Salary continuance Insurance.

We strive to provide opportunities for our employees to enhance and develop their job performance and access internal opportunities.

### Health and safety

The health, safety and welfare of our workforce and all people who interact with our business is of the utmost importance. We are committed as a business to complying with all relevant health and safety obligations. With a dedicated WHS Committee, we ensure we are providing and maintaining a safe working environment.

### Diversity and inclusion

Resimac recognises that people are our most important asset, and we are committed to championing workplace diversity and inclusion.

We have a dedicated people-led Diversity, Equity and Inclusion (DEI) Committee that is committed to growing a collaborative culture, diverse workforce and a work environment in which all our people, customers and partners are treated fairly.

Resimac adheres to Commonwealth legislative requirements of the Workplace Gender Equality Act 2012 and is obligated to report to the Workplace Gender Equality Agency annually.

### Whistleblowing and transparency

We are committed to the highest standards of ethical behaviour in our conduct of business activities. Therefore, we encourage employees, associates, and members of the general public to report instances of misconduct while ensuring whistleblowers' protection.

### Remuneration

Resimac has a remuneration policy and annually discloses the remuneration of the CEO, key management personnel and the Directors to the market. The CEO and senior management have key performance indicators in place that are assessed twice a year.



We believe an engaged team that is recognised for their contribution and values supports a sustainable and successful business.



## Customers

### Responsible lending

As an entity that holds six credit licences, we must ensure we comply with the Responsible Lending Conduct obligations. We do this through our Credit Committee, Board Risk and Compliance Committee, our Compliance Program and Quality Assurance, in which we review and monitor credit decisions to ensure the credit contracts are suitable to consumers.

### Disputes and potential litigation

Resimac is committed to managing customer complaints and disputes in a fair, timely and transparent manner. It is important that our complaints handling team act honestly, consistently, and fairly when handling complaints and claims.

## Suppliers

Who we partner with at Resimac is key to our sustainability performance. Our responsible approach to procurement of suppliers ensures we manage and mitigate risk.

Resimac's approach to supplier selection is to undertake an initial evaluation, and then continuously evaluate and improve procurement activities through the review and analysis of purchasing budgets, business requirements, the landscape of the supply market, negotiation with suppliers and periodic assessments of supply transactions. The intention is to demonstrate a fair, competitive approach to supplier selection, ensuring no conflicts are present and any potential related party transactions are managed appropriately.

We monitor our outsourcing relationships and service providers that are classified as performing a material outsourced or strategic service to the Group. A supplier attestation is required to be completed biannually and forms part of the contract management process - an important part of supporting the Group's governance reporting obligations.

## Political donations

Resimac does not make any cash donations to political parties. The Resimac Board and management may from time to time attend a political forum or industry event.

## Community

Supporting charities that closely align with our values is important at Resimac. We are proud to support several charities and community initiatives including The Station, Food Ladder, Sanctuary Housing, Run-Rocket-Run and communities within the Philippines.



### The Station Ltd

The Station is a not-for-profit drop-in centre established in 1978, located in the heart of the Sydney CBD. Its mission is to provide a range of services to adults having difficulty obtaining and sustaining accommodation. Resimac has a team of volunteers who regularly help with food service.



### Food Ladder

Resimac is proud to support Food Ladder, a not-for-profit and global pioneer in the use of environmentally sustainable technologies to create food and economic security for remote communities.

Food Ladder provides custom-designed hydroponic systems and associated education and training programs to schools and communities. This allows for the supply of local year-round access to commercial quantities of fresh, affordable, nutrient-rich produce.

True to its mandate of developing local economies, Food Ladder systems have benefited 31,500 individuals, with 6,000 getting a consistent, significant part of their diet from Food Ladder. Furthermore, it has created 600 jobs.

In 2021 we funded our first cobranded hydroponic greenhouse in a Brisbane primary school, and since then, we have funded another two greenhouse builds in Sydney and Adelaide.



### Local support within the Philippines

With over 100 resources supporting our business in the Philippines, it is important that our extended community is also recognised. Each year, we partner with our staff in Manila to support a community charity for their annual outreach program. Over the past few years, we have supported orphanages with medical supplies, food packages and clothing. We will continue to be committed to assisting our Filipino community.

# Governance.

## The Board

The Board has a charter that sets out its responsibility and accountability. The CEO reports to the Board and is not part of the Board membership.

Each Director is assessed annually to ensure they remain fit and proper.

We are committed to a diversified Board and Management team. Diversity lends itself to gender, skills, age, and experience. The Board is made up of non-executive Directors, of which 50% are currently independent. The company has in place a Diversity Policy and ensures that Board assessment and skills matrix reviews are undertaken.

Our Directors are aware of their obligations of continuous disclosure, and we have appropriate controls in place to ensure reporting on share trading and specific blackout periods for trading.

Each Director has one voting right per share that they hold, in line with all shareholders.

The Board has adopted a Conflicts of Interest Policy to ensure that the Board, Management, and staff can identify conflict of interests, which allows disclosure and reporting, and for any conflict identified to be adequately managed pursuant to our obligations under the Corporations Act 2001 and the National Credit Protection Act 2009.

Further information on Resimac's Governance Program is set out in our Corporate Governance Statement located on our website [resimac.com.au](http://resimac.com.au).

### Risk management

Resimac has a dedicated Board Risk and Compliance Committee, a Credit Committee and an Asset and Liability Committee.

Resimac has both independent internal and external audit functions. The Board has a Risk Appetite Statement and Operational Risk Register with Key Risk Metrics.

In addition, Quality Assurance reviews are undertaken on lending approvals, with control stress testing and quarterly obligation attestations required within each department.

### Tax obligations

We are committed to ensuring we meet our multi tax obligations. We have established a Board approved Tax Risk Management Policy. Best tax practice and tax risk appetite metrics have been adopted.

### Investors

Resimac has a diversified funding platform with multiple warehouse lines provided by domestic and offshore banks for short-term funding, in addition to a global securitisation program to fund our assets longer-term. This funding platform enables us to make adjustments to meet consumers' short-term and long-term goals.

In line with our ESG strategy, we are working towards the development of a suite of green mortgage products to provide construction finance solutions for homeowners to build energy efficient and sustainable homes. The green mortgage product will be designed to meet our longer-term objective of issuing certified 'green bonds' that adhere to the Green Bond Principles, providing a socially responsible and sustainable investment to institutional investors.



Supporting charities that closely align with our values is important at Resimac.

We proudly support several charity and community initiatives including The Station, Food Ladder, Sanctuary Housing, Run-Rocket-Run and communities within the Philippines.

# Supporting policies.

We have in place appropriate policies, annual training and key performance measures to assist us with our ESG commitment. These are reviewed and tested annually unless otherwise referenced in the policy itself.

These include:

- Code of Conduct
- Anti-Bribery & Corruption Policy
- Annual Compliance & Risk Training / Adherence to Regulator Obligations
- Benefits & Wellbeing Program
- Diversity & Inclusion Policy & Initiatives
- Whistleblowing Policy & Reporting
- Workplace Health & Safety Policy
- Taxation Risk Management Policy
- Vendor & Outsourcing Policy
- Equity in the Workplace Policy
- Working From Home Policy
- Bullying & Harassment Policy
- Conflicts of Interest Policy
- Social Media Policy
- Charters for the Board and each Board & Management Committee





RESIMAC GROUP LTD  
**ESG FRAMEWORK**  
**NOVEMBER 2023**

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