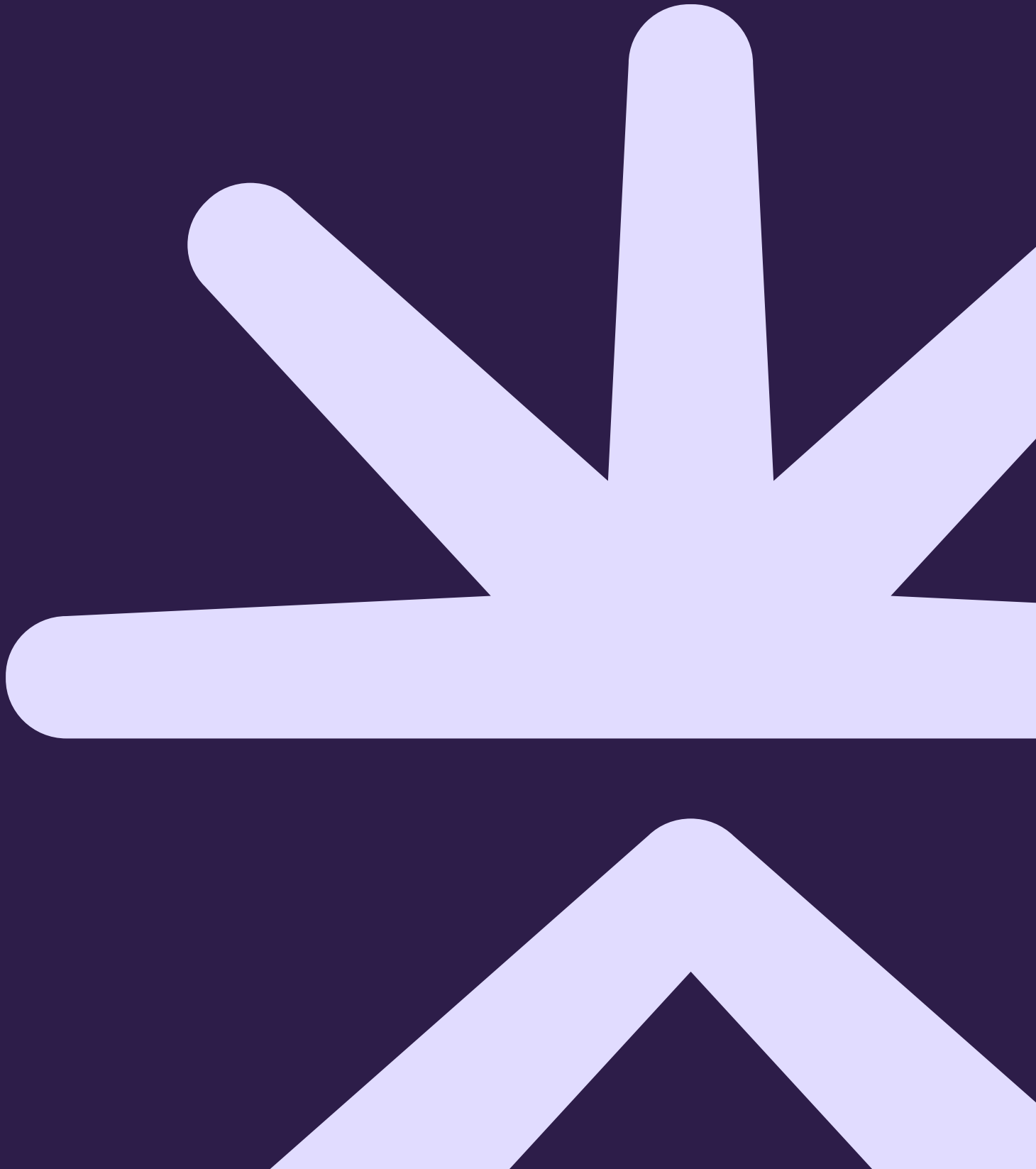


Sustainability Report 2023



Sustainability Report

Our approach to sustainability

Helia is committed to creating value in a way that is economically, socially, and environmentally sustainable for both present and future generations. Our sustainability strategy is built around our sustainability pillars:

-  **Driving financial wellbeing and housing accessibility**
-  **Enhancing climate resilience**
-  **Demonstrating good corporate citizenship**



Our sustainability pillars are aligned to the environmental, social and governance (ESG) risks and opportunities determined to be most relevant to our business. Through this approach, we are identifying areas of our operations where our sustainability commitments stand to make the biggest impact for people and communities across Australia.

Our focus is on delivering solutions that enhance the financial wellbeing of people and communities. We are committed to making a positive impact for customers through our products, operations and responsible governance, and for our people by cultivating a diverse and inclusive culture that helps everyone to thrive.

In 2023, climate has continued to be prioritised in Helia's sustainability strategy. We are committed to playing a role in minimising our environmental impact in line with global and national commitments, and we are growing our understanding of how climate change could potentially impact our business in the coming decades.

For more information on our approach to managing key climate related risks, see page 28.

“ At Helia, we are applying our expertise in risk management to support our business and customers in understanding and responding to the physical and transitional risks of climate change.”

Pauline Blight-Johnston
Helia CEO

FY23 Sustainability Progress

In 2023, we have continued to make progress across our sustainability commitments including the following key achievements:

Pillars	 Financial wellbeing and housing accessibility Creating positive impact through our products, education initiatives and by helping our customers to support vulnerable borrowers.	 Climate resilience Understanding and responding to climate risks and opportunities while minimising the environmental impact of our operations.	 Demonstrating good corporate citizenship Driving diversity, equity and inclusion for our people, enhancing ESG governance and responsible investment management.
2023 progress	<ul style="list-style-type: none"> • Over 42,000 people helped into homes. • Over 9,000 hardship requests approved to support borrowers experiencing financial hardship. • 74 hours of LMI education delivered to Helia's broker and lender network. • Waived \$5.23m of debt to support vulnerable borrowers. 	<ul style="list-style-type: none"> • Net zero for Scope 1 and 2 emissions achieved. • 98% of in-force portfolio not exposed to High Climate Risk Locations. • New modelling tools developed to identify climate risk locations. 	<ul style="list-style-type: none"> • Gender pay equity achieved¹ • Gender diversity targets achieved for female representation on the Board and in management. • Innovate Reconciliation Action plan lodged with Reconciliation Australia.

1. A gender pay gap between -5% and 5% as defined by Workplace Gender Equality Agency (WGEA).

Governance



The Helia Board of Directors is responsible for Helia’s sustainability strategy, which is delivered by our Senior Leadership team.

In May 2023, Helia’s sustainability function was strengthened with the appointment of a full time head of sustainability, reporting to the chief risk officer. Helia’s sustainability team is responsible for the day-to-day management, monitoring and reporting of the sustainability strategy whilst supporting the wider business to deliver on our ESG commitments.

Along with supporting the sustainability team, risk is responsible for overseeing risk management and governance processes and controls. Insights gained from climate risk assessments, models and the tools we are developing is being fed into risk appetite frameworks, policies, and strategic decision-making.

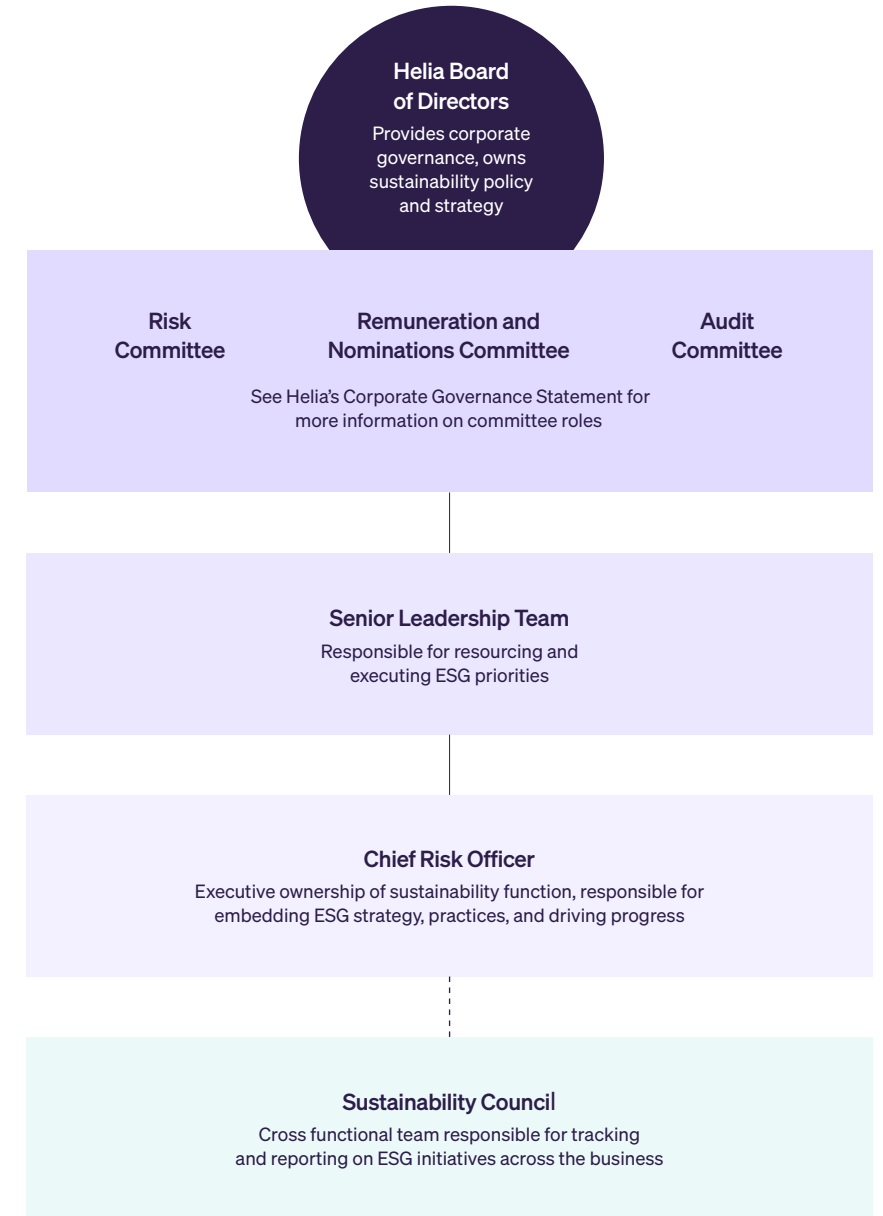
To prepare for the new sustainability reporting frameworks expected to be introduced in Australia, an International Sustainability Standards Board (ISSB) readiness assessment was conducted in December 2023. This process helped our team to identify and prioritise areas to enhance Helia’s climate governance, reporting and disclosures.

For more information, see our [Corporate Governance Statement](#).

“ We welcome the new ISSB standards as an important step forward in building more transparent and consistent sustainability reporting across our sector. Helia is investing in our internal capabilities in readiness to meet evolving regulatory and shareholder expectations for information on our climate commitments and actions.”

Ian MacDonald
Chairman

Sustainability governance structure



Responsible investing

Helia’s approach to responsible investing reflects our wider commitment to sustainability and is reviewed on an annual basis. We work closely with investment managers who are required under our mandates to consider ESG risks and opportunities. Our investment mandates do not allow investing in companies with revenue from the manufacture of Controversial Weapons, and to not knowingly invest in companies involved in modern slavery or human trafficking.

For more information, see our [Investment Policy](#).

Climate

Enhancing climate resilience

“ Helia’s approach to climate is two-fold – building the climate resilience of our business by understanding and responding to climate risks and, minimising the environmental impact of our operations. Engaging with our value chain and owning our shared responsibility as we work through the complexities of climate risk in the years ahead will be key to ensuring a sustainable future.”

Andrew Cormack
Chief Risk Officer



Helia recognises that understanding and addressing climate change is key to building a resilient and sustainable business for the future. We continue to incorporate climate-related risks and opportunities into our business strategy, decision-making and customer offerings as part of our ESG commitments.

This year, we focused on enhancing Helia’s analysis and reporting capabilities. This will help to ensure we understand the effectiveness of our policy responses in managing exposures, along with our modelling capabilities to better assess the potential future risks and opportunities facing our business.

Both climate-related physical and transition risk have the potential to impact Helia’s financial performance over the medium to long term. Helia’s approach to assessing and managing climate risk is aligned to APRA’s Prudential Practice Guide CPG 229 Climate Change Financial Risks and the Task Force for Climate-Related Financial Disclosures (TCFD).

In preparation for the upcoming ISSB reporting standards and growing stakeholder expectations, we will continue to build our climate risk reporting capabilities, targets and disclosures in the coming years.

Physical risks refer to the damage or reduced value caused by extreme weather events such as floods, bushfires, storms and cyclones, and long-term shifts in climate patterns.

Transition risks refer to the impact of regulatory and policy changes, technological innovation, social and economic shifts and the transition to a net zero emissions economy.

Understanding climate exposure

In 2023, we increased our understanding of Helia’s exposure to climate risk in our underwriting portfolio, enhanced our modelling capabilities to quantify potential losses due to climate change, and have continued to consider climate insights and considerations in our risk appetite and policies.

The development of a climate scenario analysis model was used to test the resilience of our portfolio. It is helping us to expand previous analyses, evolve our methodologies, and explore the impact of different scenarios on our business.

We have continued to leverage Munich Re data to help identify high physical risk climate locations. This has set the foundation to develop our internal modelling capabilities to run climate adjusted business simulations. We have incorporated additional climate variables into our risk and forecasting models, enabling Helia to quantify the impact of different scenarios on our business as a direct result of climate change, through to 2050.

We have also developed a climate impact visualisation tool that provides a detailed view of the climate impact within specific locations across Australia. Once fully deployed, this tool will help our business to quickly identify high climate risk locations and integrate climate variables into decision making processes.

Managing risk

In response to our climate analysis, Helia incorporated climate risk factors in decision-making policies and processes. We have set a limited appetite for new business concentrations impacted by climate transition and physical risk.

A maximum tolerance threshold within our risk appetite statement has been set for our exposure to coal mining and high physical climate risk locations. In FY23, Helia was within this threshold.

In 2023, we introduced a new internal LMI portfolio reporting cadence which includes updates on climate risk exposures in high physical and transitional climate risk locations.

Sharing climate insights

Helia is committed to sharing insights with customers to help identify high risk climate locations and co-develop strategies to manage associated risks.

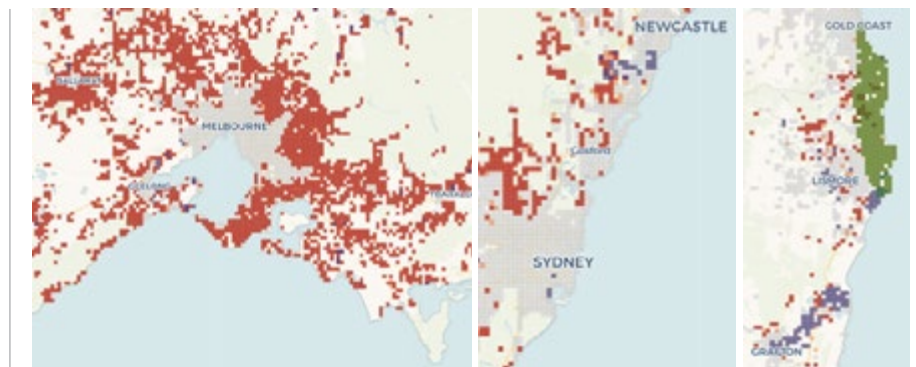
Whilst all of our customers can benefit from these insights, we see specific opportunity in supporting smaller lenders, with less proprietary data, to develop a greater understanding and management of their exposure to the physical impacts of climate change in the years to come.



Sample extract from climate visualisation tool

This climate impact visualisation tool sample shows impacted areas for a 1-in-100 year flood event at a property level view, as well as extreme flood risk zones calculated using Munich Re data.

- Key
- 1-in-100 year flood map
- Extreme flood risk



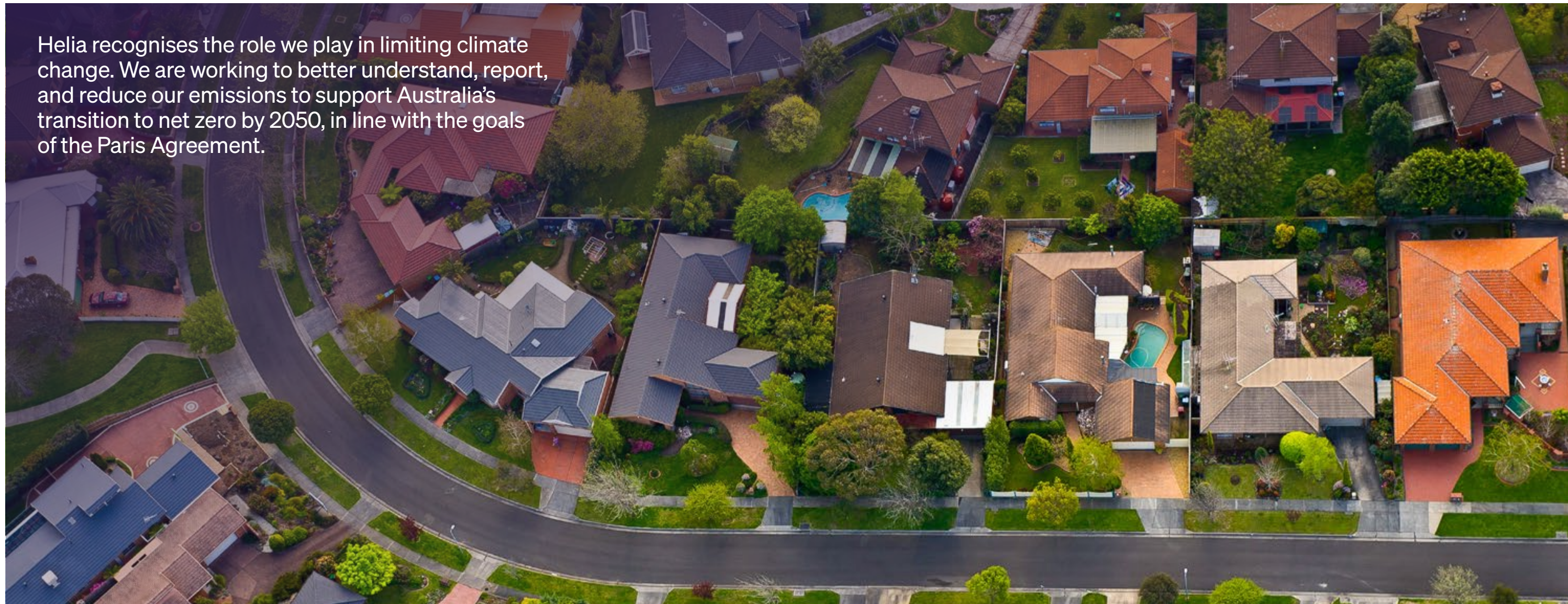
Sample extract from climate risk exposure analysis

The above climate exposure analysis samples use Munich Re data in conjunction with government flood, tropical cyclone and bushfire maps, to identify physical climate related risks across different regions.

- Key
- Tropical cyclone exposure to populated areas (>25% properties exposed)
- Flood exposure to populated areas (>25% properties exposed)
- Bushfire exposure to populated areas (>25% properties exposed)
- Limited or no physical climate risk to populated areas (≤ 25% of properties exposed)

Reducing our carbon footprint

Helia recognises the role we play in limiting climate change. We are working to better understand, report, and reduce our emissions to support Australia's transition to net zero by 2050, in line with the goals of the Paris Agreement.



This year, we conducted a review of Helia's scope 1 and 2 emissions, aligned to the *National Greenhouse and Energy Reporting Act 2007* (NGER Act). Following this review, we have determined that Helia is already surpassing our previously disclosed carbon neutral ambitions and is at net zero for scope 1 and 2 emissions.

This is due to the reclassification of previously reported scope 1 emissions and the purchase of renewable energy by Helia's landlord for our electricity usage in our head office. Our head office remains located in a 5 Star rated NABERS energy and 4.5 Star rated NABERS water building.

During 2023, overall electricity consumption of 496.3 gj increased slightly (up 5%) from the previous reporting period.

Given Helia's limited physical presence, we understand the important role the environmental performance of our office building and our landlord's carbon commitments play in reducing the carbon footprint of our business. For this reason, sustainability commitments will be considered in all future lease transactions.

Further work is required to develop an accurate and complete scope 3 emissions inventory.

We have increased reporting on our indirect operational emissions sources this year, with the inclusion of business travel (flights and hotel stays) and leased co-working space for our Melbourne employees. Ensuring that emissions, waste and water consumption data from outside of our organisation is representative of Helia's actual use has continued to be a challenge in 2023. Whilst current data is not fully accurate for scope 3 categories, we will continue to track and report in these categories as we work to improve data quality.

Key challenges we face in developing our scope 3 inventory include the complexities of identifying and managing emission sources across our value chain, determining an industry aligned approach to defining our underwriting portfolio product footprint, and gaining better data insights for our investment portfolio.

We will continue to engage with our customers, industry peers and climate experts as we develop a carbon management plan for scope 3 emissions, which remains a priority in our sustainability strategy.

Renewable energy used for purchased electricity (scope 2)

100%

Total municipal solid waste (up 10% on FY22)

21.8t

Reduction in water consumption

13%

Business travel (air travel and hotel stays)

122.2tCO₂e

Key
GJ: Gigajoule t: tonnes tCO₂-e: Carbon dioxide equivalent

Helia is supporting Australia's transition to a lower carbon economy by committing to:

- **Maintaining** 100% net zero for scope 1 and 2 emissions
- **Developing** an emissions management plan for scope 3 emissions

Helia's environmental data including emissions, waste and water can be accessed in the [2023 Sustainability Data Pack](#).

Creating impact



Through our people

Maintaining a diverse, inclusive, and supportive environment for our people is critical to the performance of our business.

In 2023, Helia achieved gender pay equity¹, a significant milestone, particularly when compared to the Financial Services Industry where the gender pay gap is +26.2% in favour of men. This outcome has been achieved through the continued focus of our leaders and hiring managers, and reflects our women in management rate of 43%, above target of 40%.

Through targeted learning and growth opportunities, along with ongoing flexibility and hybrid working arrangements, we are supporting our people to develop professionally, maintain work-life balance and contribute to Helia's success.

See page 18 for more information on our approach to diversity, equity and inclusion.

1. A gender pay gap between -5% and 5% as defined by Workplace Gender Equality Agency (WGEA).
2. The percentage of roles with direct reports filled by women.

Female representation at Helia:

50%
Board members

43%
Managers⁽²⁾

For more information about our people, see page 18.



With our customers

Supporting customers is key to delivering on our purpose of driving financial wellbeing through home ownership.

Investment in our future-fit technology capabilities for a seamless lending experience, partnering in innovation for future home ownership solutions, and ongoing education initiatives have been reflected in an exceptional Net Promoter Score (NPS) of +79, up two points on last year.

We provide customers with training, education materials and insights that help cut through the complexity of home buying. This helps to ensure that the benefits and risks of LMI are understood and that borrowers are informed and supported to make responsible lending decisions for their circumstances.

We remain aligned with our customers in our approach to hardship requests, helping people to stay in their homes during difficult periods. In 2023, we approved over 9,000 requests to support borrowers impacted by financial hardship and waived \$5.23m of debt to support vulnerable borrowers when they need help the most.

Over
9,000
Hardship applications approved

79+
Net promoter score



For our community

Through our community partnerships, Helia has continued to support the financial wellbeing of communities across Australia.

We are focused on supporting community initiatives that assist people experiencing homelessness and address the varying barriers to home ownership.

In 2023, we completed our first full year as a transformation partner with Habitat for Humanity Australia. We are proud of the impact we are making through this partnership to provide safe and accessible housing to families in need, in particular women and children impacted by domestic violence. We continued to support St Vincent de Paul Society, Youth Off The Streets, Smith Family and OzHarvest through funding and volunteering.

Over
\$468,000
Donated

239
Volunteer hours

Reconciliation Action Plan – Innovate

Our vision for Reconciliation is an Australia that embraces respect and wellbeing for Aboriginal and Torres Strait Islander peoples, and people of all backgrounds.

In 2023, we lodged our Innovate Reconciliation Action Plan with Reconciliation Australia and we continue to engage with our people, the local community and First Nations representatives to help us identify and shape meaningful ways our business can promote reconciliation.



