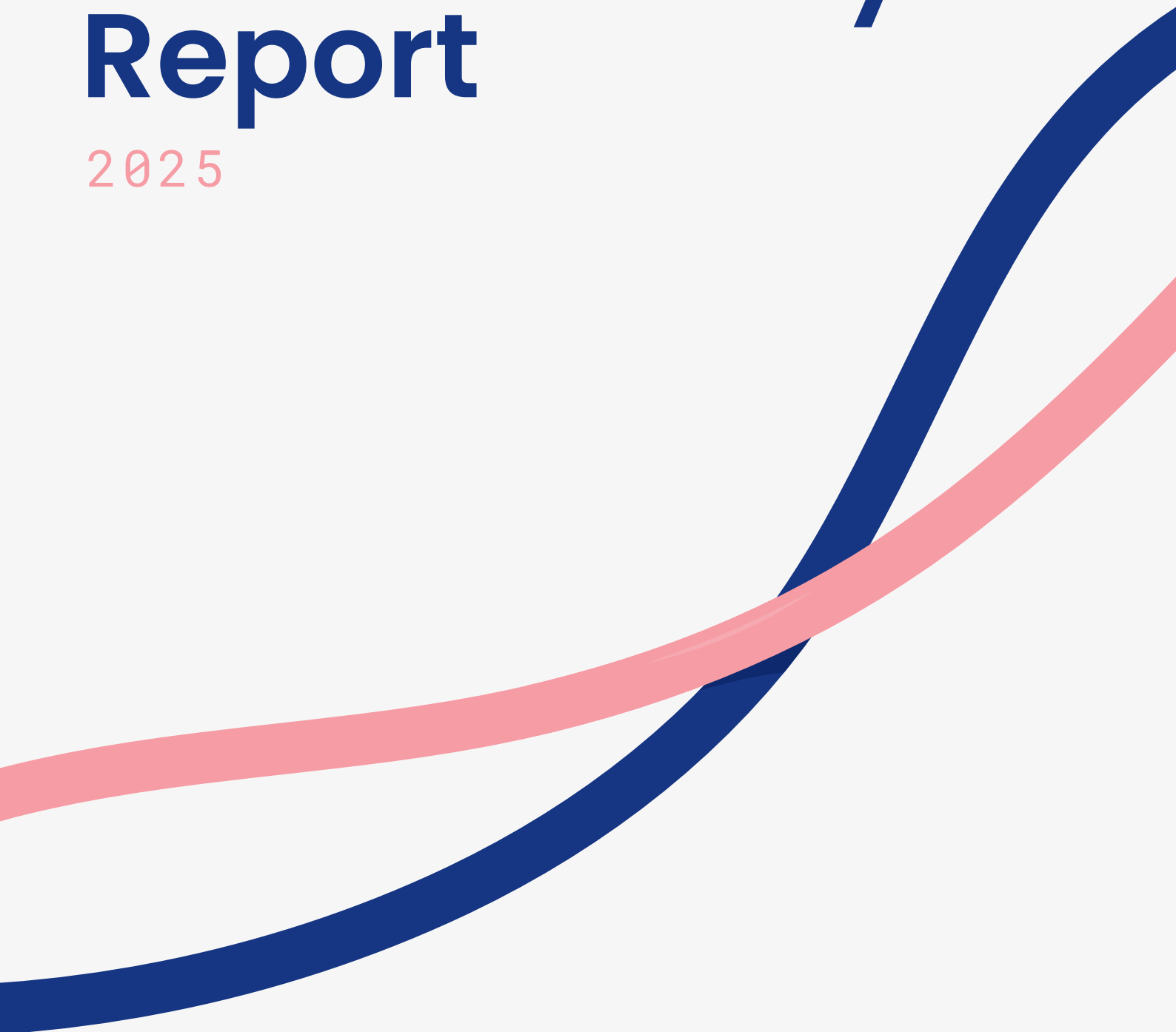


AFG

Sustainability Report

2025



Go far.
Go together.

Sustainability at AFG

I am pleased to deliver
our report on the Group's
Environmental, Social and
Governance practices.



Greg Medcraft
Chair



AFG Climate Conscious



530

Tonnes CO₂-e voluntarily offset through Greenfleet in FY25



7,000+

Trees planted through Carbon Positive Australia (since 2022)

Principal Partner



The Foyer Foundation is a national, for-purpose organisation that unlocks thriving futures for young people aged 16-24 who are experiencing or at risk of homelessness.

United Nations Sustainable Development Goals

**SUSTAINABLE
DEVELOPMENT
GOALS**



About AFG

AFG is one of Australia's largest mortgage broker aggregators and leading diversified financial services companies. Established in 1994, and listed on the ASX in 2015, AFG has over 30 years' experience supporting finance brokers in Australia.

By offering choice to Australian borrowers through creating competition between lenders, AFG proudly fulfils its purpose of creating a fairer financial future.

AFG is a participant in the United Nations Global Compact and its business approach is guided by the UN's Sustainable Development Goals – a set of 17 goals that identify global priorities and aspirations. AFG has identified eight goals in which it believes it can make the most impact.

Once again, this year's AFG Sustainability Report has been prepared on a voluntary basis. FY25 marks the fifth year AFG has chosen to report on these issues.

From next financial year, AFG will report in accordance with the mandatory climate reporting requirements of the Corporations Act 2001 (Cth) and the Australian Sustainability Reporting Standards S2 issued by the Australian Accounting Standard Board (**AASB**).



Governance

The AFG Board of Directors provides oversight and strategic guidance as AFG delivers on its purpose and strategy. The majority of Directors, including the Chair, are independent.

Together with Management, the Board is committed to strong governance, transparency, and accountability, and considers sustainability risks across the Group, including climate and human rights.

Two Board Committees support this work. The Risk and Compliance Committee leads our sustainability approach, covering climate, cyber security, and human rights.

The Remuneration and Nomination Committee oversees people-related matters, including Diversity, Equity and Inclusion (DEI).

Further details on these Board Committees are available on page 31.

Management Committees include Risk and Compliance, and Sustainability.

Established in 2021, the Management Sustainability Committee strengthens our broader Environmental, Social and Governance (ESG) practices.

The Management Risk and Compliance Committee monitors climate risks, with a focus on the AFG Securities lending portfolio — a standing item on its quarterly agenda.

Additional groups supporting sustainability include our DEI Committee, Modern Slavery Working Group and Green Team.

As part of AFG's commitment to strong corporate governance, we maintain a comprehensive suite of policies and processes that underpin our culture and business practices. These align with the ASX Corporate Governance Council's Principles and Recommendations (4th Edition), providing a solid foundation for meeting regulatory and legal obligations. AFG's policies can be found on the AFG Investor Centre www.afgonline.com.au/investors/.

Management of ESG risks

Beyond the traditional credit, liquidity, and market risks, AFG has identified and mapped our main environmental, social, and governance (ESG) topics. This review and assessment was conducted by subject matter experts, the Management Sustainability Committee, and the Management Risk and Compliance Committee.

AFG is committed to regularly reviewing these risks, mitigants, and any gaps to adapt to changing circumstances as part of our ongoing commitment to sustainability.

ESG topic	ESG risk type	Associated risk/ consequence	Mitigating/managing actions
Regulatory and compliance  	G	Severe penalties and impact on reputation	- Compliant with all applicable laws and regulations, overseen by internal legal and compliance functions - Annual compulsory training for all employees on Code of Conduct to ensure awareness of key regulatory obligations - Oversight of all material regulatory risks by Board Risk and Compliance Committee and Management Risk and Compliance Committee
Business ethics/conduct     	G, S	Conduct falls short of community and stakeholder expectations	- Oversight of all material risks by Board Risk and Compliance Committee and Management Risk and Compliance Committee - Risk Appetite Statement which is reviewed at least annually and clearly specifies risks to which AFG is intolerant - Three lines of defence Risk Management Framework - Code of Conduct supporting company culture and values - Full suite of policies or programs including Anti-Bribery and Corruption, Anti-Money Laundering and Counter Terrorism Financing, Dealing in Securities, Continuous Disclosure, Whistleblower, Supplier Code of Conduct, Risk Management, Work Health and Safety, Diversity Equity and Inclusion and annual Modern Slavery Statement - Dedicated complaints contact and resolution process - Robust whistleblower mechanism with full protection - Principal Partner of Foyer Foundation (youth homelessness support) and regular volunteering days at Tranby Engagement Hub crisis centre in Perth - Long term sponsor of the AFG Primary Interschool Numero® Challenge (financial literacy program for children) - AFG Securities' Plant-A-Tree program for every securitised loan settled

ESG topic	ESG risk type	Associated risk/ consequence	Mitigating/managing actions
Supporting customers and responsible lending practices   	G, S	Irresponsible mortgage provision by brokers Poor recognition of customer needs amongst underserved	- Responsible Lending and Best Interests Duty Policies in place for mortgage and finance brokers - Dedicated compliance function - Comprehensive compliance training requirements for mortgage and finance brokers - Support for customers experiencing financial hardship - Legal review of any product marketing campaigns - Suite of products (including low document mortgages) aimed at underserved borrowers including the self-employed, later-life lending, part-time and casual workers and customers with credit impairments - Use of Comprehensive Credit Reporting to enable a more precise measure of credit risk to improve assessment of underserved customers - Active participation in Mortgage and Finance Association of Australia (MFAA) through a position on the Board of Directors, Chair of the Compliance Committee and membership of the MFAA Aggregator Forum - Dedicated complaints and resolution process
Climate risks in mortgage portfolio 	E	Increasing likelihood of floods and fires in some areas rendering properties uninsurable, increasing loan delinquency	- Board level oversight of climate risks through Board Risk and Compliance Committee - Climate scenario risk modelling to help make informed lending choices and to ensure adequate insurance coverage on existing loans - Properties in the portfolio, based on their postcodes are assessed for climate risk using actual weather events and ability of regions to recover from events. This analysis is based on three Representative Concentration Pathways RCP2.6, RCP4.5 and RCP 8.5 to provide a forecast of the current portfolio into 2030 & 2050
Direct impact on climate 	E	Business operations contributing to greenhouse gas emissions Exposure to environmental, regulatory and reputational risks	- Board level oversight of climate risks through Board Risk and Compliance Committee - Management Sustainability Committee and employee-led 'Green Team' - Voluntary annual measurement and reporting of carbon emissions (Some scope 3 emissions are not measured) - Minimising travel, and voluntary purchase of offsets to cover unavoidable travel emissions - Energy saving initiatives and recycling program in head office - Transition to paperless documentation (ongoing) - Employee volunteer tree planting days - AFG Securities' Plant-A-Tree program for every securitised loan settled

ESG topic	ESG risk type	Associated risk/ consequence	Mitigating/managing actions
Privacy of data and cyber security 	G, S	Unauthorised disclosure of personal information, either deliberately or inadvertently Cyber theft compromising data Cyber incident that disrupts business operations	• Board level oversight through Audit Committee and Risk and Compliance Committee • Enterprise Risk function led by Chief Risk Officer • Dedicated Cyber and Data Governance Steering Committee that meets monthly • Third party obligations for privacy and security where available, including a Third Party Supplier Review process • Privacy and Responsible Use of Technology Policies • Notifiable Data Breach Procedure • Dedicated Cyber Security team • 24x7 security monitoring with extended detection and response capability • Implementation of Least Privilege principles and user access management practices • Internal and external audits in the form of technical security assessment • Proactive cybersecurity testing including annual penetration testing and vulnerability analysis • Simulation exercises that replicate scenarios to evaluate and enhance incident response capabilities, resilience and decision-making under pressure • Regular cyber education, training and phishing tests for employees and contractors • Escalation process for employees to report suspicious activities, incidents and vulnerabilities • Multifactor Authentication for employees and brokers • AFG Broker Cyber Hub and dedicated broker training via webinars on cyber security issues
Technology 	G, S	Failure of technology and system downtime	• Board level oversight through Board Risk and Compliance Committee • Continued investment in delivering robust technology systems • Disaster recovery and business continuity plans • Constant monitoring of health of systems, supported by regular testing

ESG topic	ESG risk type	Associated risk/ consequence	Mitigating/managing actions
Human capital/ employee wellbeing, diverse and inclusive workplace   	S	Failure to attract and retain quality employees Poor support for employee health, wellbeing and safety	Attraction, retention and engagement: • Code of Conduct promoting company values • Remuneration practices and people and culture initiatives overseen by Board and Management • Competitive remuneration and full suite of employee benefits • Regular review to ensure equal remuneration (for same job) by gender • Policies and program including Flexible Working, Working from Home, Work Health and Safety, Education Assistance and Family and Domestic Violence support • Staff engagement pulse to monitor satisfaction, employee Net Promoter Score (eNPS), wellbeing and Diversity, Equity and Inclusion (DEI) • DEI, Workplace Discrimination, Harassment and Bullying Policies • Combined employee and management committee focused on DEI • Targets for gender diversity at Board and management level • Program of employee events to help drive DEI Wellbeing: • Surveys and initiatives to promote employee well-being • Mental Health, Family and Domestic Violence and Workplace Discrimination, Harassment and Bullying Policies • Mental health first aid officers in each state • Employee Assistance Program available to all employees and their families, and available to brokers • Work Health and Safety policy, manual and targets in place

Social

Our people

At AFG, our people are the cornerstone of our success and the driving force behind our purpose-led strategy. Our purpose, to create a fairer financial future, is brought to life by the dedication, expertise, and passion of our 318 employees.

Our core values—Integrity, Accountability, Customer Centric, and Team Player (**iact**) — are the cornerstone of everything we do. These values guide our actions and decisions, ensuring we remain true to our purpose and deliver exceptional service to broker partners and customers.

The AFG Code of Conduct supports us in upholding these values. Employees are required to be familiar with the Code and adhere to its guidelines, reinforced through annual refresher training on this and other relevant policies.

Highly engaged

Our highly motivated and engaged workforce is evidenced by an average employee engagement score of 74% and a positive eNPS of 15 during FY25. With a focus throughout the year on the role of our leaders, we've been pleased to see our "relationship with manager" score increase to 83%.

AFG last year moved from an annual employee engagement survey to conducting bi-monthly employee engagement pulse surveys, which provide the company with real time invaluable insights into our team's experiences and perspectives of working at AFG, highlighting our strengths and identifying opportunities for improvement. The pulse tool also allows our employees to call out and recognise each other for living our values.

Diversity, Equity and Inclusion (DEI)

AFG is committed to fostering a safe, inclusive and rewarding workplace for all employees regardless of identity, gender, age, race, ethnicity, religion, background or physical ability.

Our DEI committee each year assists the Board in setting measurable objectives for achieving and improving our diversity at all levels.

During FY25, we refreshed select objectives and established new, quantifiable targets to enhance accountability (see table on page 19).

Included in these objectives, AFG has committed to working towards a 40:40:20 (male:female:flexible) gender ratio across AFG's Board of Directors by 2030. This is aligned to the 40:40 Vision, which aims to achieve gender balance (40:40:20) in executive leadership teams of ASX300 companies by 2030.

The DEI committee is a key driver of initiatives to celebrate diversity in our workplace. DEI celebrations or acknowledgements throughout the year included Wear it Purple Day, International Women's Day, Pride Month and Diwali.

Further initiatives in place to support DEI include the establishment of a designated prayer room in our head office, awareness campaigns during Ramadan, and the operation of a Flexible Working Policy to ensure employees with family and caring responsibilities also have access to opportunities within the organisation.

Our DEI efforts are recognised through the results of our employee pulse surveys, where a positive result of 77% was achieved for Diversity, Equity, Inclusion and Belonging (**DEIB**). Overall, there was a generally positive perception across DEIB themes among our staff, with most survey responses either favourable or strongly favourable.

INTEGRITY

**We do
what's right.**

ACCOUNTABILITY

**We follow
through.**

CUSTOMER CENTRIC

**We walk in
their shoes.**

TEAM PLAYER

**Together we
make a difference.**

At a more detailed level, 90% of employees surveyed believe AFG shows that diversity is important through concrete actions and 92% of employees surveyed believe they can bring their authentic self to work.

“Belonging” consistently showed strong positive sentiment, with many responses indicating employees feel accepted. This suggests a healthy team culture and strong interpersonal connections.

	DEI objective	Result/Status
1	Achieve a minimum of 45% women in management positions (including Key Management Personnel (KMP), Senior Managers and Other Managers) by 2026 with increased year-on-year representation.	Achieved but subsequently fallen. Although the 45% level was reached during the year, some changes late in the period caused the proportion of women to decline to 42% of our managers as at 30 June. We continue to work toward our goal.
2	Maintain an overall diversity score of 75% of our employee DEIB pulse survey (aggregated score of staff's perception of Diversity, Equity, Inclusion and Belonging in the workplace).	Achieved. Our DEIB pulse survey has achieved a 77% score.
3	Champion under-represented groups (e.g. older employees, people who identify as having disability or neurodiverse, LGBTQIA+) as measured by initiatives undertaken and our inclusion survey.	Achieved. This is evidenced by strong favourability in areas such as valuing diverse viewpoints (92%), fostering an inclusive organisational culture (85%), and empowering managers to create inclusive environments (83%).
4	Continue training and awareness programs to ensure employees maintain and uphold AFG's acceptable and expected behaviours and diversity and inclusion values in the workplace.	Achieved. The DEI Committee, alongside our Human Resources team, continue to deliver a range of programs and initiatives to meet this objective.
5	Work towards a 40:40:20 (male:female:flexible) gender ratio across AFG's Board of Directors by 2030, aligned to the 40:40 Vision, an investor-led initiative which aims to achieve gender balance (40:40:20) in executive leadership teams of ASX300 companies by 2030.	Not yet achieved. Our current female representation of AFG's Board of Directors is 33%.

Position	Total	No of women	% of Women
Board	6	2	33
Senior Executives	13	4	31
People Leaders	66	28	42
Total workforce including Directors	318	158	50

Senior Executive is defined as Key Management Personnel, Head of Businesses and other Executives/General Managers in our business. People Leader numbers do not include Senior Executives. To provide an accurate reflection of the proportion of women across the whole organisation, the Company has excluded contractors and included part-time employees in the percentages above, which shows the proportion of women in the AFG Group at 30 June 2025.

1 Headcount as at 30 June 2025.

Health and wellbeing

The health and safety of AFG's workers is underpinned by AFG's Workplace, Health and Safety (**WHS**), and Mental Health and Wellbeing policies.

WHS remains a standing item across our Board Risk and Compliance, and Remuneration and Nomination committees, with updates scheduled for each major review cycle. From an ongoing management perspective, WHS matters are addressed and maintained through:

- Regular executive meetings where WHS is a dedicated agenda item
- Participation in site visits to assess environmental and operational risks
- Endorsement and review of WHS policies and controls, with risks reviewed on a quarterly basis
- Organisation-wide WHS induction and annual refresher training.

Under our Mental Health and Wellbeing Policy AFG offers an Employee Assistance Program for our employees and their families, providing free, short-term, confidential counselling. AFG also makes this program available to brokers in the AFG network.

In addition, some of our staff are trained as Mental Health First Aid officers and are based within each state office. An annual awareness campaign around RUOK? Day highlights the availability of mental health support at AFG.

AFG is also committed to supporting physical health by offering free flu vaccinations, and ensuring fresh fruit is readily available in the office.

Keeping informed

Good communication and interaction are paramount to our collaborative culture. AFG holds regular strategy updates to ensure all employees understand the business direction and their role in contributing to its success.

In addition, fortnightly 'All Hands' meetings, hosted by the CEO or Executives, keep our employees informed about the latest business developments.

Recognition

We celebrate outstanding contributions through monthly and annual "Values Champion" awards, with nominations for the monthly award put forward by peers.

Social functions and team-based volunteering opportunities have included tree planting days, assisting at a Perth crisis centre kitchen, and fundraising social events, fostering camaraderie while supporting our community.

Training and development

AFG believes in the power of continuous learning and professional growth, and we are committed to empowering our people, whether working full time or part time, to grow and thrive.

Each year we complete development and talent planning, proactively identifying high performers with exceptional potential and structuring bespoke learning pathways accordingly.

Our Education Assistance Policy is designed to support employees who wish to pursue approved courses that align with both AFG's objectives and the individual's career aspirations. By offering reimbursement for approved courses and textbooks, our employees can enhance their skills and knowledge, fostering a culture of ongoing development and excellence.

Career and personal skills-based training is offered in addition to mandatory annual training in areas including, but not limited to, AFG's Code of Conduct, compliance, cyber resilience, modern slavery, privacy, and anti-bribery and corruption.

Privacy and Security

Privacy

AFG is committed to safeguarding our customers' sensitive information. The AFG Privacy Policy embeds all principles contained in the Privacy Act (Cth) 1988, where these apply to our practices.

Ensuring we remain fully compliant in all our activities remains a priority for AFG. We are cognisant that the legislative reforms passed during FY25 may be a precursor for further privacy law changes, and we will continue to proactively commit our business to compliance in this evolving area.



Thank you so much for the funds that enabled me to purchase a new laptop. It has greatly helped me with my education and enabled me to complete my school assignments at home. It has also helped me in my journey to becoming more independent.

Chantel

*Recipient of AFG Independence Fund grant
Thyne House Foyer – Launceston, TAS*

Security

AFG remains vigilant against ever evolving cyber threats and invests in the ongoing protection of our systems and the refinement of our processes. Measures to help safeguard our customers' information – including from cyber criminals – form a core component of our Digital Strategy. We regularly review our processes and cyber resilience controls that include threat mitigation strategies – as outlined by the Australian Cyber Security Centre and Australian Signals Directorate.

Mandatory cyber education and training is undertaken by employees and contractors during onboarding and on a regular basis via our phishing resilience platform.

AFG leverages Multifactor Authentication (MFA) for employees/contractors and brokers who access AFG's systems and have defined an industry aligned cyber security framework.

We are committed to maintaining cyber resilience in line with industry recognised guidance and offer substantial training and awareness resources through dedicated learning systems for our broker network.

Community

Partnering for change: AFG and the Foyer Foundation

The growing crisis of homelessness is an issue close to AFG's heart. Last year over 280,000 clients were assisted by specialist homelessness agencies, with more than 40% under the age of 25.

That's why AFG is proud to mark its fifth-year as a Principal Partner of the Foyer Foundation, representing a total commitment of \$900,000 over the term. The Foyer Foundation is a national, for-purpose organisation that unlocks thriving futures for young people aged 16-24 who are experiencing or at risk of homelessness.

At the heart of the Foyer Foundation's mission is growing the reach and impact of Youth Foyers – a safe and stable home where young people can live for up to two years. Youth Foyers offer far more than a roof over their residents' heads, they also provide wraparound education and employment support, and 1:1 life skills and personal coaching.

After two years of living in a Youth Foyer, over 80% of residents exit into safe and stable housing and four in five are in education and/or employment, with increased confidence and skills needed to live as independent, productive adults. As a powerful example, in late 2024, two Foyer Oxford residents in WA achieved home ownership, a testament to the stability and support provided during their time at the Foyer.

Currently, there are 16 accredited Youth Foyers across Australia, offering support to over 600 young people. The Foyer Foundation has a bold vision to expand this to 50 Accredited Youth Foyers by 2030, supporting around 2,000 young people each year. AFG shares and supports this vision.

As part of its partnership, AFG and the Foyer Foundation established the AFG Independence Fund, which provides one-off grants of up to \$1,000 to Foyer residents. These grants help young people purchase essential items that support their education, employment, wellbeing, or transition to independent living – such as tools, laptops, driving lessons, work clothing, and furniture.

By the end of 2025, more than 450 residents would have benefited from these grants, helping them take meaningful steps toward independence.

In addition to its direct financial commitment, AFG's fundraising efforts, including a charity tennis day in Sydney, have attracted generous donations from AFG brokers – further amplifying the reach and impact of the AFG Independence Fund.



Numero

AFG proudly sponsors the Primary Interschool Numero® Challenge, a maths competition that has been running across West Australian primary schools since 1998. The partnership began 19 years ago, with AFG committed to supporting strong numeracy skills among children by sponsoring cash prizes and funding promotional merchandise.





AFG staff member and brokers preparing breakfast at Tranby Engagement Hub, May 2025

Volunteering

AFG also supports the community through employee volunteering. Over the past year, AFG has held a tree planting day at Galup (formerly known as Lake Monger) in Perth, and on several occasions sent teams to prepare, cook and serve lunch at the Tranby Engagement Hub, a crisis centre in the City of Perth.

These volunteering events support our commitment to environmental sustainability and to providing an essential service for individuals experiencing homelessness.

The tree planting day at Galup involved working with Town of Cambridge to plant almost 800 native seedlings along the banks of the lake. The AFG efforts were part of a bigger initiative by the Town aimed at restoring natural ecosystems, improving habitat for local wildlife including the endangered Carnaby's black cockatoo, and enhancing the area's canopy cover.

At Tranby Engagement Hub, run by Uniting WA, our teams were responsible for preparing, cooking and serving meals for up to 300 people a day using the service. The Hub supports people in crisis or sleeping rough in or around the City of Perth, providing food, showers and one-to-one support services. On each volunteering occasion, AFG makes a financial contribution which Uniting WA uses toward food costs.

Through these initiatives, our company demonstrates its commitment to corporate social responsibility and the well-being of our community. We are proud of our employees' dedication and the positive impact they are having through these initiatives.

Our industry

More than three quarters (77%) of residential mortgages are sourced through a broker, according to recent data from the Mortgage and Finance Association of Australia (MFAA).

This data underscores the vital role mortgage brokers play in maintaining a competitive mortgage market. By providing consumers with access to a wide range of choices brokers help their clients secure the right product for their circumstances and the competition they help drive keeps interest rates lower for all borrowers. Brokers are also required to meet a legislated Best Interests Duty (**BID**) ensuring the client is protected. By providing industry-leading support for brokers AFG fulfills its purpose of creating a fairer financial future.

AFG now supports more than 4,200 brokers. Our brokers share AFG's commitment to acting in the best interests of their customers by embracing the AFG Broker Code of Practice. In turn, AFG works diligently to support brokers in meeting their compliance obligations — helping safeguard their business practices and reputations.

As part of our commitment to sustainability AFG continues to promote, via a dedicated webpage, those lenders offering green finance products or other sustainable initiatives. At our events, AFG actively promotes the use of sustainable merchandise by lenders.



Every broker interaction is a chance to build trust and deliver better outcomes for customers.

Them

Head of Sales and Distribution

Advocacy

AFG supports and actively advocates for all brokers. Our Chair Greg Medcraft and Chief Executive David Bailey, liaise regularly with government, the industry and regulators on issues affecting the broader mortgage broking industry.

AFG's Head of Compliance Shirley Elliot has been re-elected as president of MFAA's National Compliance and Regulatory Forum for the third year, her role being to partner with the MFAA and its members in keeping the industry proactive in its response to regulatory change. This ensures brokers can continue to protect their businesses and provide good consumer outcomes.

Mark Hewitt, AFG's General Manager of Industry and Partnership Development, has served on the MFAA Board of Directors since 2022. With over 40 years of experience in financial services, his deep understanding of the industry helps ensure that the MFAA continues to support its members effectively.

AFG Women on the Move

AFG's commitment to our brokers goes beyond business. It also extends to promoting gender equality, ensuring well-being and providing support for their own community initiatives.

Female brokers are supported when entering mortgage broking or advancing their careers in mortgage broking through our *AFG Women on the Move Program*. In an industry traditionally dominated by men, this program is designed to attract and retain female brokers by offering a community of support within a safe and progressive environment. It focuses on building supportive relationships and developing both business and personal skills.

Wellbeing

To support our brokers' wellbeing the AFG *Employee Assistance Program* is offered to our broker network. This program provides essential short-term mental health support, ensuring our brokers have access to the resources they need to thrive both personally and professionally.

Recognition

Our annual broker awards – which highlight outstanding achievements of brokers and groups within the AFG network – also include a special category for brokers who have made a significant impact by running programs to support their communities.

Recognising the philanthropic spirit of many brokers, AFG has established a dedicated mechanism enabling them to make donations to the Foyer Foundation Independence Fund, building on our overall support for this important initiative.

Environment

Our climate footprint

AFG has measured and reported on its carbon emissions and some of those in its value chain, on a voluntary basis since FY21, using the services of an independent consultant.

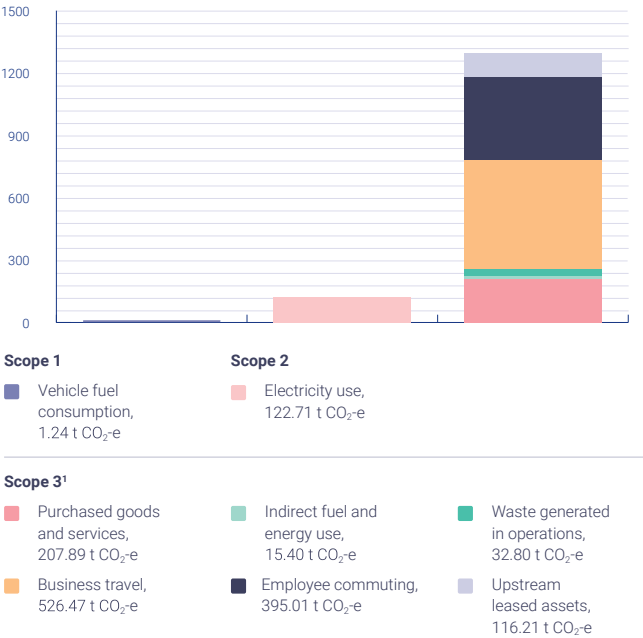
In compiling this measurement, AFG's scope and organisational boundary were determined in accordance with the GHG Protocol Standard (World Business Council for Sustainable Development, World Resources Institute, 2004). This boundary follows the operational control model and includes aspects of AFG's supply chain that our organisation can influence. AFG is still refining its data capture process, resulting in not all emissions being included in the measurement. Emissions from the AFG Group have been included and reported where activity data was available and provided to the independent consultant.

Scope 3 emissions not measured include capital goods, upstream freight, downstream freight, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, some purchased goods and services and investments.

The lending portfolio of AFG Securities is also not measured.

Our FY25 measurement revealed AFG produced 1,417.73 tonnes of carbon dioxide equivalent (**t CO₂-e**) between 1 July 2024 and 30 June 2025. This marks an increase from 1,265.37t CO₂-e in FY24.

Summary of AFG's emissions by scope



1 Refer to exclusions referenced above.

Emissions summary FY25

GHG emissions scope	Emissions (t CO ₂ -e)	Percentage
Scope 1	1.24	<0.1
Scope 2	122.71	8.7
Scope 3 ¹	1,293.78	91.3
Total	1,417.73	100

1 Refer to exclusions referenced above.

As with previous years, our main GHG emitting activities were associated with business related travel and employee commuting.

Smaller office

AFG is reducing the size of its head office in Perth, transitioning from a 2,019m² space in West Perth to a 1,080m² office at Dynons Plaza, 905 Hay Street in the Perth CBD.

The move, scheduled for October 2025, is a direct outcome of our hybrid work policy, which has reduced the need for a larger physical footprint.

This relocation aims to reduce costs, optimise operational efficiency, and foster a more collaborative and agile work environment.

The smaller office footprint also aligns with our sustainability goals, helping to reduce energy consumption and environmental impact.

In refitting this office for our purpose, AFG was mindful of its impact on the climate, opting for LED lighting, while desk monitors carry an Eight-Star Energy Efficiency Certification.

The relocation itself will be carried out with an eco-conscious approach, focusing on waste minimisation through the reuse and recycling of materials, and the donation of surplus electronics, furniture, and equipment.

Offsetting travel emissions

AFG strives to minimise travel whenever possible. However, as a national organisation some flights and accommodations are unavoidable, leading to greenhouse gas emissions.

For the third consecutive year, we've proactively addressed these emissions by voluntarily purchasing carbon offsets through Greenfleet Australia, a not-for-profit environmental organisation.

In FY25, AFG purchased offsets to cover 530t CO₂-e of emissions from business travel. Greenfleet will use these funds to plant legally protected native forests across Australia and New Zealand. These biodiverse forests absorb carbon, improve soil and water quality and restore habitats for native wildlife.

Since launching our voluntary offset program in FY23, AFG has offset a total of 1,408t CO₂-e of emissions through Greenfleet.

Greenfleet's projects are verified using the Full Carbon Accounting Model, developed by CSIRO and approved by the Australian Government. Their carbon estate is also audited annually by a government-accredited auditor and independently reviewed.

AFG Securities Plant-a-Tree

Since July 2022, AFG has partnered with not-for-profit Carbon Positive Australia to plant one tree for every loan settled by our lending arm, AFG Securities.

Over the past three years this initiative has funded the planting of more than 7,000 trees, primarily on degraded lands in Western Australia and New South Wales.

This revegetation effort creates vital corridors for native wildlife and supports the restoration of biodiversity and ecosystems.

AFG Green Team

Our employee-led Green Team takes a grass roots approach to championing initiatives to support the environment. Established in 2022, this team of passionate individuals has successfully implemented a comprehensive recycling program, facilitated the donation of second hand electronic items to good causes, organised our annual tree planting event, and embedded sustainability into staff activities.

The Green Team is also responsible for the Containers4Change fund raising initiative at head office. Since implementation in 2023, this effort has saved more than 20,000 cans from landfill and raised over \$2,000 for the Kaarakin Black Cockatoo Conservation Centre in Western Australia.

Climate risk

Climate risk – with a particular focus on the lending portfolio through AFG Securities – is integrated into AFG's risk management framework, which aims to identify, assess, manage, and monitor internal and external risk sources.

Such risk is within the scope of Management Risk and Compliance Committee meetings and at Board Risk and Compliance Committee meetings. Climate risks are included in the Company's annual Risk Appetite Statement, which is approved by the Board.

In terms of the AFG Securities lending portfolio, climate scenario risk modelling is utilised at loan origination to help AFG make informed lending assessments, and during the life of the loan, to help ensure the borrower has adequate insurance coverage in place.

Under this system, at origination, each property, based upon its postcode, is assessed for climate risk, using actual weather events and the ability of regions to recover from events. This is dynamically updated as new events unfold and overlaid with three Representative Concentration Pathway (**RCP**) scenarios (RCP2.6, RCP4.5 and RCP8.5) to provide forecasts of the current portfolio into 2030 and 2050.

Analysis is also performed on the short-term impact of building insurance premiums, replicating that produced by the Actuaries Institute of Australia. Output modelling is then fed into AFG's loan origination system to identify at-risk applications where stated building insurance may be less than is required for that property given climate risks.

This aims to deliver information which is used to raise awareness with prospective and existing borrowers about rising premiums and to honour AFG's obligations under the Responsible Lending provisions of the National Consumer Credit Protection Act 2009 (Cth).