



SUSTAINABILITY REPORT

“ESG is the intersection of *innovation and responsibility.*”

This is BSP’s second Sustainability Report, covering the 2025 activities of our Environmental, Social and Governance (ESG) Implementation Roadmap. Being proactive in environmental and social action enhances the way we execute our strategy, underlines our Vision, serves our Purpose, and embodies our Values.

ESG regulations across BSP’s markets are aligning with international disclosure and governance standards, increasing future compliance expectations. At the close of the 2025 financial year, BSP was not subject to any mandatory ESG or climate disclosure. Therefore, this Sustainability Report is a voluntary disclosure.



Materiality Approach

We have taken a structured, impact-based approach to identifying the ESG issues that matter most to our stakeholders and our business, ensuring our priorities reflect both current and emerging needs.

In 2024, we undertook a materiality assessment, prioritising five material areas to address in our ESG program based on how our operations impact the economy, environment and people, including their human rights. We assess the significance of positive and negative impacts and our ability to influence change in these areas.

Material Topics		Action Areas
 Financial Health	Enable meaningful economic participation, and actively support equitable access to financial services through: • Conducting financial literacy training, either directly or through collaboration with community partners • Strengthen financial consumer protection • Factoring consumer hardship into our financing, lending and decision-making processes	• Financial Literacy • Financial Inclusion • Responsible Lending • Financial Consumer Protection • Financial Sector Deepening
 Gender-based Violence	Collaborate with community partners to counteract and respond to incidents of gender-based violence experienced by staff and customers. Implement policies, programs, and strategies for preventing and responding to harmful behaviours, including forms of physical, sexual, emotional and financial abuse.	• Preventing Financial Abuse • Survivor Support & Protection • Community Partnerships • Workplace Coalition Campaigns • Male Advocacy
 Workforce Capability	Train, educate and develop South Pacific talent into modern banking professionals to deliver leading financial service, including knowledge of financial products and services, international banking practice, ESG and adherence to regulatory compliance.	• Leadership Development • Knowledge Transfer Programs • ESG Education & Upskilling • BSP Academy
 ESG Governance & Reporting	Embed ESG factors in decision-making processes, operations and strategic planning, including: • Governance around ESG initiatives • Integrating ESG into business strategy and risk management frameworks • Transparent ESG reporting, aligned to regulatory requirements and industry standards	• Climate Risk Integration • ESG Program Management • Standard Setting and Alignment • Metrics & Targets • Materiality • Group sustainability strategy
 Climate Vulnerability	Build capability to manage risks and opportunities linked to the actual or potential physical effects of climate change on BSP's owned or controlled assets and operations, including: • Managing direct exposure to extreme weather conditions (i.e., flooding, storms) • Addressing transitional risks from evolving policies, practices and technologies resulting from efforts to reduce economic dependence on carbon	• Climate Adaptation & Mitigation • Green Finance • Emissions • Waste Disposal & Resource Use • Biodiversity • Climate-resilient Infrastructure

SUSTAINABILITY REPORT CONTINUED

Our ESG Program

BSP's ESG Program is anchored in the Group's Values and complements our *Modernising for Growth* strategy.



Environmental

Minimising BSP's impact on the environment and mitigating climate change impacts on our customers and our own operations, including championing green finance, investing in climate-resilient infrastructure and ensuring high standards for waste disposal.

Social

Protecting customer and staff welfare, and ensuring ethical business conduct, including expanding our efforts against gender-based violence, enhancing staff capability and ensuring fairness in the financial system through responsible service delivery.

Governance

Strengthening ESG governance and enabling transparent reporting through investment in capability and systems, as well as uplifting our business processes, and policy and risk framework to align with local and international standards.

Environmental

The South Pacific islands are highly susceptible to the effects of climate change, and our approach to managing climate risks and opportunities centres on addressing the inherent vulnerability of our staff, customers and communities in our markets.

Climate Risk

We have integrated physical climate risk into our business continuity planning to strengthen resilience across our operations. This work ensures we can continue serving our customers during climate-related disruptions. Work has commenced to broaden our understanding of physical climate risk and its impact at a portfolio level, enabling more robust scenario analysis and supporting future reporting requirements.

We are taking a measured, market-appropriate approach to transitional climate risk. Our focus is on balancing climate imperatives with customer readiness and the maturity of the economies we serve. Work is underway to align with emerging regulations, and invest in our capacity to support the transition.

Green Finance

Regulatory frameworks for sustainable finance are now emerging across the South Pacific, providing clearer guidelines for investment in clean energy, decarbonisation, sustainable agriculture and climate resilient infrastructure. BSP is engaging with governments, regulators, and development partners across the region, sharing practical insights and shaping our approach as regulations take shape.

Emissions¹

We have commenced investment in systems to facilitate the accurate capture and quantification of Scope 1 and Scope 2 emissions in line with the Greenhouse Gas (GHG) Protocol. Work is progressing to enable assured emissions disclosures across all our markets. In sequence, Scope 3 emissions, particularly financed emissions related to our portfolio, will make up the largest proportion of our emissions footprint. At this stage, we have not set emissions targets.

1. Scope 1 emissions are direct emissions from owned or controlled sources; Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling; Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly affects in its value chain.

CASE STUDY

Waste Management *to Support Our Strategy*



A handful of the 480,000 bank cards disposed in 2025.

We are working to ensure that our strategic initiatives observe leading environmental standards for waste disposal across the South Pacific.

With the planned replacement of 200 ATMs, 9,000 EFTPOS, and 1.4 million cards as part of our modernisation program, there is a growing need for us to responsibly dispose the waste generated from our strategic initiatives. We are committed to ensuring the plastic, metallic, and electronic components are safely disposed.

We adopted waste disposal process in PNG, ensuring Payment Card Industry compliance for waste disposal, while also meeting applicable local, Australian, European, and U.S. environmental standards. These new waste management processes are embedded in our operations and support our modernisation agenda.

In 2025, we disposed of 2.4 tonnes of plastic waste from our card upgrade program. Electronic waste from our ATMs and EFTPOS will be similarly disposed as we upgrade these devices in PNG and the Pacific.

SUSTAINABILITY REPORT CONTINUED

Social

With our reach throughout the South Pacific, BSP is well-positioned to champion prosperity and positive social impact. In 2025, our social impact and economic inclusion priorities were promoting financial literacy, addressing gender-based violence (GBV), championing fair lending practices and improving our workforce capability.

Financial Inclusion

We know that through financial inclusion, and enabling meaningful and safe participation in the formal economy, livelihoods change and local economies strengthen. It's the key to unlocking prosperity. We are committed to ensuring people in communities across the South Pacific have access to financial services tailored to each demographic's banking needs. With digital services like the Wantok Wallet, and a broad branch network, we are enabling access to financial services to empower communities.

Financial Literacy

We believe it is important that our financial inclusion efforts include a focus on financial literacy, ensuring our customers can make informed borrowing decisions, understand budgeting, avoid fraud, and practice online banking safety. We consistently engage with communities across the South Pacific to drive financial literacy training as part of our social commitment.

Responsible Lending

As part of our commitment to responsible banking, we commenced the implementation of our Group Responsible Lending Policy aimed at strengthening financial consumer protection. The Policy addresses risks associated with unregulated non-bank money lending by establishing clear conduct standards for BSP customers, reinforcing our anti-money laundering controls, and ensuring that we do not indirectly support high-risk or harmful lending practices. Aligned with impending financial consumer protection standards in PNG, we are an early adopter by integrating these requirements into our Policy ahead of the regulatory mandate. We are committed to promoting safe financial inclusion and advancing fair and sustainable financial outcomes in the South Pacific.

CASE STUDY

Y.E.S Grow! *Empowering Pacific entrepreneurs*



Asaeli Lemaki (right) of Qito Sports and Umang Maisuria (left) from BSP examining merchandise during a client visit.

The Y.E.S (Your Enterprise Scheme) Grow program is a development program for small-to-medium enterprises, jointly designed in partnership with Australian Business Volunteers. The program provides practical tools and skills for entrepreneurs through workshops, classroom sessions, and tailored one-on-one mentoring. The program supports entrepreneurs by improving core business skills, leadership capacity, and long-term resilience.

The Y.E.S Grow program was rolled out in PNG, Fiji, Tonga and Samoa, with Vanuatu and Solomon Islands to be added in 2026.

One beneficiary of the program is Qito Sports in Fiji, founded by husband-and-wife team Asaeli and Taina Lemaki. Qito Sports participated in Y.E.S Grow (called "THRIVE" in Fiji), and benefited from the professional training, toolkits, and coaching programs.

Since 2022, Y.E.S Grow highlights include:

Program Participants
(entrepreneurs)

605

Female-led
businesses

50%

Volunteer Hours

3,100+

CASE STUDY

Enhancing capability through the BSP Academy



Group discussions during a BSP Academy leadership training workshop.

We are continuing to expand the BSP Academy to develop talent throughout our business and build a future-ready workforce that drives sustainable success. In 2025, 186 employees, from all seven of our markets, completed the Academy program which focuses on high-quality leadership development and technical training.

The program also includes training in specific fields such as Management and Leadership, Banking and Financial Services, Digital and Innovation, Service and Customer Experience, Risk and Governance, and Operations and Efficiency. These fields of study are part of a virtual university within the BSP Academy with dedicated curricula, competency frameworks and role-based pathways.

The BSP Academy is supported by internally developed digital learning pathways supplemented by globally recognised learning programs, with LinkedIn Learning being the first, available to all our staff. Together, our investment in learning and development is creating a better workplace for our people, with more skilled and meaningful work, broader careers and new opportunities for mobility across BSP.

Workforce Capability

Ensuring our staff are prepared for the future is central to our ESG program and to enabling our business strategy. We are an incubator of talent in the South Pacific making significant investments to empower every employee with the skills, experiences, and mindset needed to succeed as we shape the future of banking in our markets.

Our workforce capability program aims to build a motivated, highly-skilled and engaged workforce by providing development pathways through learning opportunities, intra-Group secondments and leadership development programs. We piloted learning and development journeys for critical roles in Corporate and Retail Banking to help build future-ready capabilities across the workforce for critical roles, and through the BSP Academy, these development initiatives will be made available to all our people.

Black Thursdays Campaign

We are committed to ending domestic and gender-based violence in our communities. As part of this commitment, our staff across the South Pacific wear black every Thursday in solidarity with victims of violence against women and families. As part of the Black Thursdays Campaign, we collaborate with community partners, government agencies and non-government organisations to change mindsets and support survivors, for both staff, customers, and the community.

Men as Allies against GBV

Changing male attitudes toward domestic violence is a key component of our GBV strategy. This involves addressing root causes, gendered stereotypes, confronting cultural biases, and destigmatising mental health conversations. We believe GBV is not just a women's rights issue, but a human rights issue. Broadening the conversation, we aim to encourage men in the community to be vocal allies and advocates against GBV in the homes, at work, and in the communities.

Governance

We are making progress embedding ESG considerations in decision-making processes, operations and strategic planning. We have governance structures dedicated to monitoring ESG initiatives, defining sustainability goals, promoting equality and embedding ESG considerations into business strategies and risk management frameworks.

Sustainability and societal wellbeing is integrated into the way we do business and how we serve our communities. The aim of our sustainability-related governance uplift is ensuring ESG issues have appropriate risk management and reporting processes in place.

ESG Program Oversight

The Board established the medium-term strategy for our ESG program in 2023. Regulations across the South Pacific are emerging with increasing prominence on the role that the Board plays in ESG governance.

The Board receives programmatic updates on key ESG initiatives when appropriate, through the Board Risk Committee, and sets the Group's mid-term ESG strategy. To execute on our sustainability strategy, the ESG Steering Committee was established to oversee the Group-level execution of sustainability imperatives in line with the ESG strategy. The Steering Committee is comprised of Group-level executives and report to the Board through the Board Risk Committee.



Along with sponsoring initiatives to address our material ESG issues, the Steering Committee's duties include:

- ESG strategy implementation
- Managing climate risks and opportunities
- Metrics and targets
- Oversee program delivery
- Sustainability disclosures
- Integrating best practice into our operations

The work of the Steering Committee is enabled by a centralised Group-wide ESG coordination office, that works with sustainability teams in each of our markets. This will support a localised response to ESG issues and greater pass-through of initiatives from the local to Group level. We will continue to invest in developing capacity specific to our operational, customer and regulatory needs.

Do No Significant Harm Principles

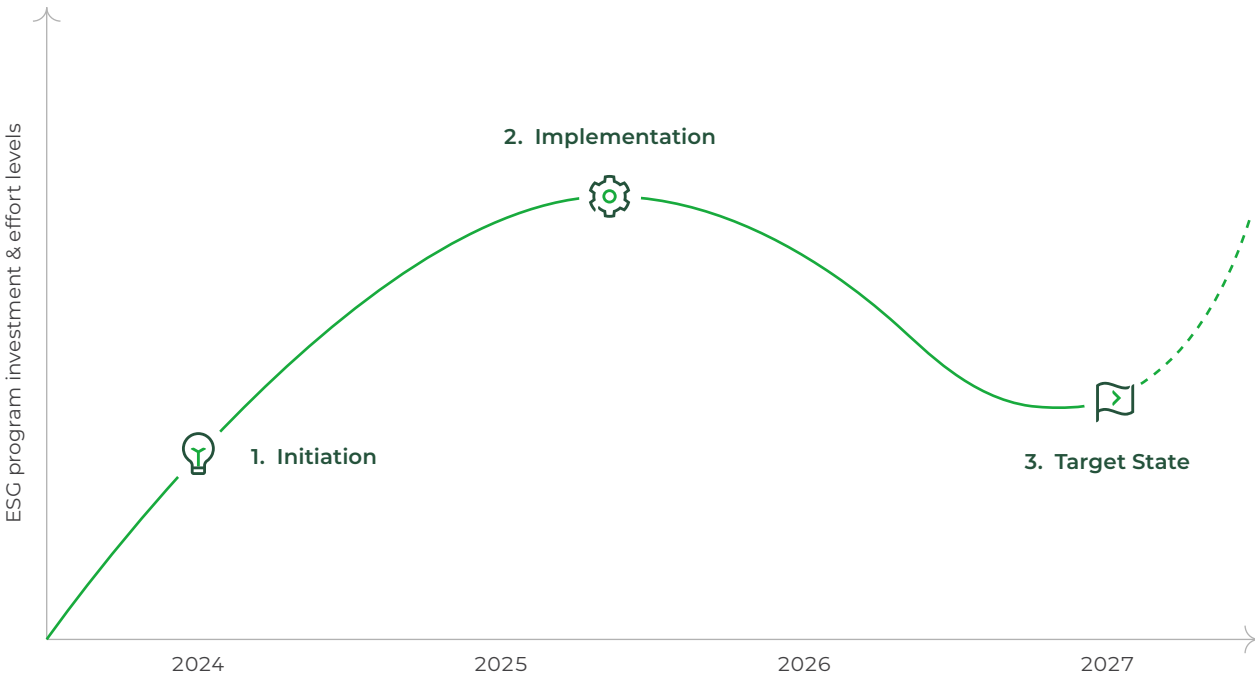
Our Environmental Social Risk Management (ESRM) framework integrates Do No Significant Harm (DNSH) principles across our lending activities and operational practices. The framework embeds DNSH principles into our due diligence frameworks, credit evaluations, and operational decision-making to ensure that our activities do not create adverse environmental or social impacts. This strengthens our commitment to sustainable value creation and responsible conduct across the South Pacific.

Our ESG Implementation Roadmap

In 2024, we established the core governance structures for ESG oversight, completed a materiality assessment and undertook our first assessment of physical climate risks. In 2025, we built on this foundation by deepening our understanding of climate risks and opportunities and beginning to integrate these insights into our operational risk framework. We initiated a range of ESG programs, several of which have now moved into business-as-usual, while others continue through execution and refinement.

In the near term, we are assessing gaps in our current disclosures to develop a pathway to align with, and in some cases be an early adopter of, emerging sustainability and climate regulations in the South Pacific. This will include establishing the baseline processes for emissions measurement and carbon accounting across seven countries.

Our focus in the coming year will be to expand and refine the scope of our environmental and social risk management frameworks, and embed specialised ESG skillsets to facilitate the execution of program priorities. We are deepening our understanding of transition climate risk to inform our credit risk processes and Group risk appetite where applicable. We are also championing the development of Green Lending in key markets, supporting shared sustainability and decarbonisation aspirations in the South Pacific.



1. Initiation

- Establish governance structure,
- Complete materiality assessment,
- Initiate ESG program projects.

2. Implementation

- Implement ESG projects during the two-year execution window,
- Align policy and reconfigure relevant business processes,
- Build ESG capacity in credit, risk, operations, finance, and other relevant cross-functional teams.

3. Target State

- Transition ESG projects into business-as-usual,
- Align with best practice for disclosures underpinned by robust sustainability governance,
- Conduct a materiality assessment to refresh the list of material ESG issues to BSP.



The South Pacific
is our home



www.bsp.com.pg