

PSBANK

OUR SUSTAINABILITY REPORT

2024 FINANCIAL YEAR

2024



ABOUT THE REPORT

The Sustainability Report of Philippine Savings Bank (PSBank) provides an overview of the Bank's environmental, social, and governance (ESG) performance. It outlines the commitments, key initiatives and impacts toward sustainable growth, responsible banking, and stakeholder engagement for the period 1 January 2024 to 31 December 2024.

This Report should be read alongside the PSBank Annual Report 2024 for a holistic understanding of the Bank's financial and non-financial performance. It also discusses the steps the Bank has taken to integrate the Sustainable Finance agenda into its core business strategy.

REPORTING FRAMEWORKS AND DISCLOSURES

PSBank adheres to globally recognized sustainability reporting frameworks and standards to ensure transparency, accountability and comparability. These include:

- Bangko Sentral ng Pilipinas (BSP) guidelines and Philippine Securities and Exchange Commission (SEC) guidelines: The Bank complies with local regulatory requirements for reports and sustainable finance.
- United Nations Sustainable Development Goals (UN SDGs): PSBank aligns its sustainability initiatives with the relevant UN SDGs to contribute to global development goals.
- Global Reporting Initiative (GRI): The report follows the GRI Standards to disclose material sustainability topics, performance indicators, and management approaches.





DATA SOURCES

The information presented in this report are derived and verified with internal and external sources covering the period 1 January 2024 to 31 December 2024. These sources include:

- Internal ESG performance data
- Financial and risk management disclosures
- Assessments and audit reports

All quantitative and qualitative information for relevant indicators have been disclosed for two years, where applicable, to the best of the Bank's knowledge and in good faith. These may be amended or revised as necessary without prior notice.

DISCLOSURE PRINCIPLES

PSBank adheres to key disclosure principles to ensure clarity, completeness, and credibility in its sustainability reporting:

- Materiality: Prioritizing ESG topics that are significant to the Bank's operations and stakeholders.
- Completeness: Providing a comprehensive view of sustainability performance, including progress and challenges.
- Balance: Ensuring objectivity by reporting both achievements and areas for improvement.
- Comparability: Presenting consistent data to enable trend analysis and benchmarking.
- Accuracy and Reliability: Using verified data sources and independent assessments where applicable.

This report reflects PSBank's commitment to sustainability and responsible Banking, highlighting its progress, challenges, and future plans in fostering long-term economic, environmental, and social well-being.





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ABOUT PSBANK

GRI 2-1

Philippine Savings Bank (hereafter referred to as “PSBank” or the “Bank”), a subsidiary of the Metropolitan Bank and Trust Company (Metrobank), is headquartered in Makati City. To date, its physical channel footprint is composed of 250 branches, 527 onsite and offsite ATMs, 1 onsite Cash Acceptance Machine (CAM), 1 warehouse and 2 Business Recovery Centers strategically located nationwide. It offers a wide range of banking products and services: deposits, loans, treasury products, digital banking services, bancassurance and trust. Its core customers are those in the consumer and retail markets.

Throughout its more than 60 years of operation, the Bank’s service philosophy is to always be responsive to the needs of clients and deliver them exceptionally and consistently across all touch points. As the Bank gears towards being more sustainable and attain its commitments for sustainable finance, it continuously improves its products, service channels and overall customer service experience to provide more positive social and environmental impact.

PSBank takes advantage of available and emerging technologies, not just to introduce innovative product offerings but also to improve on systems and processes for better operational efficiency and lower operating costs. It aims to improve energy efficiency and tap alternative sources to reduce reliance on purchased electricity.

With its customers in mind, the Bank strives to consistently make its banking processes simpler, allowing customers to perform their Banking needs the fastest, simplest and safest way possible. Through its Online and Mobile Banking facilities, existing and new clients open and maintain their accounts, send money and pay bills conveniently anytime and anywhere from the comfort of their homes. These allow them to save time and lower their carbon footprint.



The Bank provides affordable and competitive loan products which are easily accessible to the market through various channels including its online platform. It provides convenient means of swift transactions and seamless processing and documentation across its loan products. Its processing for auto loan applications remains to be the benchmark of the industry with its 24 hour approval TAT consistently executed for all applications, 43% of which are processed within 3 hours. Its home loan processing time is the fastest at one day loan decision for brand new condominium units and properties from accredited developers and 5 days or less for other facilities. Personal loan processing time is the shortest in the market within 24 hours from loan application to decision, and 1 day for booking of approved loan application.

The Bank increasingly considers the economic, environmental and social impacts of its banking operations cognizant of the inherent risks and strategic opportunities it may bring. Through continuing education, engagement, community partnerships, and financial inclusion measures, it aims to address and mitigate more complex risks and issues associated with financial assets and investments.

It recognizes the need to manage investments based on local and global norms to prevent reputational harm, brand damage, or even taxes and lawsuits. It continues to intensify the protection of data privacy and security. With these efforts, the Bank can, directly or indirectly, reduce the likelihood of extraordinary expenses, improve market share, or even decrease liabilities.



BOARD

STATEMENT

Key to our strategy and plan are initiatives to help make PSBank a more resilient and responsible organization. Apart from a culture strategy re-imagined to address ongoing disruptions to the world of work, we are also taking significant strides to embrace Environmental, Social and Governance (ESG) principles in all that we do.

MILESTONES IN SUSTAINABLE FINANCE

PSBank considers the economic, environmental, and social impacts of its banking operations, products, and services as they provide strategic opportunities and financial risks.

HIGHLIGHTS	ACCOMPLISHMENTS UP TO 2023	ACCOMPLISHMENTS IN 2024
Sustainability Principles	<ul style="list-style-type: none">Board-approved transition plan and ESRMS action itemsSustainability principles embedded in Corporate Governance and Risk Management Committee ChartersBoard-approved Sustainable Finance Framework (SFF), Environmental and Social Risk Management Policy Manual, and Sustainability Reporting Policy ManualAppointed Chief Risk and Sustainability OfficerSFF training and awareness campaigns with ESRMIntegrated ESRM in policies, processes, manuals, and forms, with expanded loan review for E&S risks and refined physical risk mapping to consider hazard incidents and severityEngaged Senior Management and the Board of Directors in GT Capital’s Thought Leadership Series and Corporate Governance trainings on sustainability.Acquired one Sustainability and Climate Risk Certification	<ul style="list-style-type: none">Continued SFF training and awareness campaigns with ESRMAdopted Sustainable Finance Taxonomy Guidelines of BSPDeployed ESG Data Collection for the Bank’s Service ProvidersAdded one Sustainability Officer
ESG Materiality Matrix	<ul style="list-style-type: none">21 high material topics retainedStreamlined the Materiality Process and Management Approach	<ul style="list-style-type: none">21 high material topics retained
ECONOMIC IMPACT	The Bank deploys financial education and awareness programs and materials to enable its clients and the public make informed decisions and achieve long-term financial well-being.	
Financial Inclusion and Literacy	<ul style="list-style-type: none">Continued Be Aware! Campaign, and released 322 materials3.52 million reached in 2023	<ul style="list-style-type: none">Continued Be Aware! Campaign, and released 329 materials5.23 million reached in 2024



HIGHLIGHTS	ACCOMPLISHMENTS UP TO 2023		ACCOMPLISHMENTS IN 2024
ENVIRONMENTAL IMPACT	The Bank manages climate-related opportunities and risks.		
Operational Greenhouse Gas Emission	<ul style="list-style-type: none"> Scope 1 absolute emission at 367.04* tonnes CO2e in 2023, which includes the Bank’s mobile combustion and stationary combustion Scope 2 absolute emission at 4,982.92* tonnes CO2e in 2023 <p>*Based on the refined calculation methodology using latest standards and emission factors</p>		<ul style="list-style-type: none"> Scope 1 absolute emission at 397.00 tonnes CO2e, which includes the Bank’s mobile and stationary combustion Scope 2 absolute emission at 4,990.88 tonnes CO2e Scope 3 absolute emission at 442,784.11 tCO2e, covering the emissions from auto loans, business travel, and leased assets Refined the calculation methodology using the latest standards and emission factors
Energy Consumption	<ul style="list-style-type: none"> 66.65 % of Head office lights converted to LED lights in 2023 Head office continued to be powered by renewable energy source Energized 1st solar-powered branch 		<ul style="list-style-type: none"> 78.76% of Head office lights converted to LED lights Head office extended its contract for 100% renewable energy source 1st solar-powered branch installed with net metering device, improving total savings to PHP 228K full year
Fuel Consumption	<ul style="list-style-type: none"> Fuel consumption at 9.15 liters per million-peso revenue in 2023 		<ul style="list-style-type: none"> Lower fuel consumption at 8.87 liters per million-peso revenue
Water Consumption	<ul style="list-style-type: none"> Water consumption at 4.56 megaliters per million-peso revenue in 2023 		<ul style="list-style-type: none"> Maintained water consumption at 4.56 megaliters per million-peso revenue
Waste Disposal and Management	<ul style="list-style-type: none"> Documented guide on waste disposal Implemented waste segregation in Head Office Practiced circularity through the redeployment of furniture, fixtures, and equipment after successful refurbishment and repair Organized Donate-A-Recyclable campaign Increased use of biodegradable or plastic alternates in its head office canteen 		<ul style="list-style-type: none"> Continued refurbishment and repair of furniture, fixtures, and equipment Continued regular monitoring and reporting of waste segregation and disposal
Operations	<ul style="list-style-type: none"> Agile and lean work arrangement continued Issued corporate tablets and laptops for business continuity during the pandemic beginning in 2020 Various process enhancements and automation, resulting to lower paper consumption and fewer motorized delivery Continued adoption of DevOps methodologies for systems and projects for improved collaboration, performance, and delivery 		<ul style="list-style-type: none"> Further digitalization of reports, resulting to a reduction of 24 reams of 8x13 paper or savings of Php 14K Reduced warehouse water consumption from carwash of repossessed vehicles, resulting to an estimated annual savings of Php 251K



HIGHLIGHTS

ACCOMPLISHMENTS UP TO 2023

ACCOMPLISHMENTS IN 2024

SOCIAL IMPACT

The Bank provides safe and healthy working environment, equal opportunities and maintains an inclusive culture at all levels of the company.

Workplace Diversity	As of December 2023: <ul style="list-style-type: none">Employee population: 2,834<ul style="list-style-type: none">69% age 30 to 50 y.o., 23% age <30 y.o., 8% age >50 y.o.Employee mix: 63% female, 37% maleBoard of Directors mix: 2 female, 7 male	As of December 2024: <ul style="list-style-type: none">Employee population: 2,872<ul style="list-style-type: none">65% age 30 to 50 y.o., 24% age <30 y.o., 11% age >50 y.o.Employee mix: 64% female, 36% maleBoard of Directors: 2 female, 7 male
Workplace Safety and Labor Practices	<ul style="list-style-type: none">Constantly issued health, safety, and mental wellness advisoriesContinued bank-wide trainings on Occupational Health and Safety (OHS) with addition of certified Health and Safety OfficersMobile Annual Physical Examination (APE) available since 2022Blood Donation drives in partnership with Manila Doctors HospitalRegular vaccination drives such as flu, pneumonia, cervical and shingles vaccinesReinforced the Bank’s Emergency Response team through the Appointment of a new Chief Emergency Brigade Officer (CEBO) and Assistant Chief Emergency Brigade Officer (ACEBO) since 2022Total Recordable Incident Rate (TRIR) in 2023 at 0.04%Resident Psychologist available for employee consultationsIntroduced a spiritual break program to promote spiritual well-beingOnly one incident of work-related injury in 2023	<ul style="list-style-type: none">Continued programs that promote well-beingMaintained the 0.04% TRIROnly one incident of work-related injury



HIGHLIGHTS

ACCOMPLISHMENTS UP TO 2023

ACCOMPLISHMENTS IN 2024

GOVERNANCE IMPACT

The Bank upholds highest standards of integrity and transparency, and is committed to ensuring high level of data security.

Data Security Framework	<ul style="list-style-type: none">● Enhanced Data Security Framework● Internal policies and guidelines provide the minimum-security measures required● Tightened cybersecurity risk measures for remote work setup● Regular data security awareness campaigns and information security risk assessments for employees and third-party service providers● Regular Anti-Phishing campaigns and exercises● Deployed system enhancements for the Bank’s customer due diligence, fraud screening and warning processes.● Continued to strengthen data security tools and improved metrics.	<ul style="list-style-type: none">● Maintained the high level of security controls, awareness and adherence to the Bank’s security processes● Continued information security risk awareness campaigns and assessments● Continued Anti-Phishing campaigns and exercises, achieving a click rate below the industry average
Data Privacy	<ul style="list-style-type: none">● Appointed Deputy Data Protection Officer in 2021● Data protection policies in place● Regular data privacy trainings bankwide● Maintained 0 data privacy breach● Registered as a Personal Information Controller (PIC) and the Bank's Data Processing Systems (DPS) with the National Privacy Commission (NPC) in National Privacy Commission Registration System (NPCRS)● Completed the Privacy Impact Assessments (PIAs) for all of the Bank's client-facing DPS	<ul style="list-style-type: none">● Continued annual Data Privacy refresher training course for all Bank employees and relevant service providers with entailing online assessment exams● No data privacy breach required to be reported to the NPC
ICAAP Process	<ul style="list-style-type: none">● Semi-annual ICAAP exercise, covering also environmental risks● Expanded stress scenarios with The Big One: Major Earthquake in the West Valley Fault Line and aggressive government push on environmental, social and governance initiatives and a geopolitical crisis.	<ul style="list-style-type: none">● Continued semi-annual ICAAP exercise● Enhanced Bank’s Recovery Plan
Business Ethics	<ul style="list-style-type: none">● Strong compliance with anti-money laundering● Anti-money laundering policies in place● Whistleblower protection policies in place● Anti-corruption policies in place● Regular Anti-Money Laundering/Combating Terrorism Financing and Targeted Financial Sanctions refresher training courses for employees	<ul style="list-style-type: none">● Performed annual review and updating of the Bank's Money Laundering and Terrorism Financing Prevention Program (MTPP)● Continued annual Anti-Money Laundering/Combating Terrorism Financing and Targeted Financial Sanctions refresher training courses for all Bank employees with entailing online assessment exams● Maintained strong compliance with anti-money laundering

SUSTAINABILITY AT PSBANK

As a leading consumer bank in the Philippines, PSBank recognizes the economic, environmental, and social impacts of its banking operations, products, and services.

Its Board of Directors firmly believes it has a role in promoting sustainable development. In pursuit of this commitment, the Bank started reporting its environmental, social, and governance (ESG) impacts beginning in 2019.

In compliance with BSP Circular 1085, its Board of Directors approved a Transition Plan in October 2020, marking a pivotal step towards integrating sustainability into its corporate principles. This comprehensive plan delineated the roadmap for adopting a Sustainable Finance Framework, with emphasis on incorporation of environmental and social (E&S) risk considerations into its governance and risk management frameworks.

The embedding of sustainability principles and roles within its Corporate Governance Committee, Audit Committee, and Risk Oversight Committee Charters in December 2020 underscored its commitment to align its strategic objectives with sustainability imperatives.

The appointment of the Chief Risk and Sustainability Officer in March 2021 reinforced its dedication to navigating PSBank's sustainable finance journey. Together with the Senior Management, the sustainability principles are integrated into its day-to-day business operations and strategic objectives. Subsequently, in September 2021, the Board approved the Bank's Sustainable Finance Framework which delineated its guiding principles on environmental sustainability, social sustainability, and good governance.

These principles support the Philippines Development Plan and UN Sustainable Development Goals by (1) increasing the Bank's capabilities and adhering to local and international standards on limiting adverse effects on E&S; and (2) funding loans and projects that support economic growth and provide a lasting benefit for both clients and society while reducing pressures on the environment.

In July 2022, its Board approved the Sustainable Finance Framework's supplement, the Environmental and Social Risk Management (ESRM) Policy Manual. It provides the guidelines for addressing environmental and social risks in its operations and credit business. The ESRM system adopts a five-point cycle that includes Risk Identification and Assessment, Risk Measurement, Risk Mitigation and Control, Monitoring and Reporting of E&S risks. These points enable robust policies, processes, and controls to meet the Bank's low appetite for E&S risks and strengthen its capability to withstand disruptions, quickly resume operations, and continue to provide financial services to its clients.

The Bank introduced assessments of physical risks involving its assets, loans with collateral, and third party service providers. These consider climate hazards' severity and frequency, enabling the Bank to mitigate and further reduce residual risk exposure. Its in-house tools allow measurement and management of its E&S risk and physical risk exposures based on industry acceptable parameters. Further, its Internal Capital Adequacy Assessment Process (ICAAP) exercise was expanded to include an assessment of its resilience against transition risk arising from aggressive government push on environmental, social and governance initiatives and a geopolitical crisis. The results are reported regularly to the Bank's Risk Oversight Committee.



In May 2023, the Bank successfully served and delivered on its Board-approved Transition Plan to comply with the BSP Circular 1085 on Sustainable Finance Framework.

In 2024, the Bank refined its taxonomy guidelines for the financial products and investments in accordance with BSP Circular 1187 on Philippine Sustainable Finance Taxonomy Guidelines. These help the Bank classify activities that contribute to climate change adaptation and mitigation while meeting regulatory expectations.

FOCUS UN SDG

The Bank formalized its Sustainable Finance Framework in September 2021 to articulate the integration of environmental, social, and governance criteria into its day-to-day business operations, products and services, and distribution channels. It provides the basis for defining targets and metrics to deliver on its commitment to support sustainable economic growth and the transition to a low-carbon economy through the Bank’s identified three focus Sustainable Development Goal (SDG). These are: (1) SDG 8 – Decent Work and Economic Growth, (2) SDG 9 – Industry, Innovation and Infrastructure, and (3) SDG 13 – Climate Action.



8 DECENT WORK & ECONOMIC GROWTH

Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all.

PHP 2.64Bn new SME loans granted in 2024



9 INDUSTRY, INNOVATION & INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

22 sustainable technology solutions deployed in 2024



13 CLIMATE ACTION

The urgent action to combat climate change and its impact.

100% renewable energy for head office and 1 solar-powered branch



MATERIALITY ASSESSMENT

GRI 3-1

PSBank ensures that its strategic direction remains relevant by proactively identifying material issues shaped by emerging trends in its business environment. The Bank carefully evaluates the economic, environmental, social and governance (EESG) impacts to address the needs and concerns of its stakeholders. This approach reflects the Bank’s commitment to sustainable value creation and long-term resilience.

EXHIBIT 1. MATERIALITY PROCESS





EXHIBIT 2. MATERIAL TOPICS



ECONOMIC

- Financial Performance
- Market Presence
- Geographical Positioning and Management
- Brand Positioning and Management
- Innovation and Digitization
- Customer Experience



ENVIRONMENT

- Environmental Compliance



SOCIAL

- Customer Health and Safety
- Diversity and Equal Opportunity
- Non-Discrimination
- Workplace Health and safety
- Labor Relations
- Talent Acquisition and Retention



GOVERNANCE

- Anti-fraud and Anti-Bribery
- Data Management and Security Practices
- Customer Privacy
- Anti-corruption / Whistleblower Protection
- Ethic and Integrity
- Human Rights Protection
- Financial Risk Management
- Regulations and Compliance Management



MANAGEMENT APPROACH

GRI 3-1

True to its mission and vision to be the country’s consumer and retail bank of choice, the Bank continuously works to provide its clients competitive products and services while ensuring safe and positive banking experience. It strives to adhere to sustainable finance principles and standards.

With its Board of Directors, senior management and employees, the Bank strategizes to ensure that material topics with high impact on business and customers are managed well. This section describes how the Bank manages its identified material topics to deliver its commitment to the banking public and actively participate in the Philippine banking industry’s goal to accomplish its sustainable finance initiatives and help the Philippine Government with its own Nationally Determined Contributions (NDCs) targets.

ECONOMIC ASPECT



Financial Performance

PSBank’s Finance Group, guided by approved policies and practices, is responsible for monitoring the Bank’s financial performance. The Bank undertakes Internal Capital Adequacy Assessment Planning (ICAAP) exercise which helps in the proactive determination of whether the Bank’s qualifying capital can support its mid-term risk asset growth based on various economic and regulatory factors, both domestic and international.

Financial projections are generated based on the Bank’s outlook over a 5-year period, under normal economic growth indicators. The Bank uses various scenarios or simulations to stress the base case with minimal or no management intervention to obtain a “black swan” environment, if possible, to test the Bank’s capital strength and resilience against adverse conditions.



Market Presence

The Bank is able to improve on its strong presence with respect to loan products by providing competitive interest rates, flexible repayment options, and the maintenance of good relationships with its partner providers like auto dealers and real estate developers. Its delivery and distribution channels include physical branches, ATM network and digital banking platforms. Its thematic and tactical marketing campaigns focus on the promotion of financial products and services as well as information on how clients can maximize them. By virtue of changing market behavior, the Bank utilizes digital platforms and thereby minimize the use of paper marketing materials.



Geographical Positioning and Management

The Bank strategically places its physical branches and ATMs nationwide in locations within communities that are easily accessible by clients.

Leveraging on digital innovation and technology, the Bank continues to improve its online and mobile banking facilities to enable its clients to perform their banking needs in a secure and more convenient way.



Brand Positioning and Management

True to its tagline, “Simple lang. Maaasahan”, the Bank ensures that the delivery of products and services are made simple and easy to use while providing features that help its retail, SME, and corporate clients meet their requirements and improve their financial welfare.



Innovation and Digitization

The Bank's Information Technology (IT) Group together with Marketing Group and Information Security Group, work to ensure that all systems are user-friendly, fast and secure for the customers. Systems are regularly reviewed and monitored for possible improvements and upgrades using the latest available technologies.

The Bank also continues to rationalize existing systems infrastructure, pursue needed investments in technology and security, and perform continuous research to substantially improve IT operations, reduce system incidences and energy consumption, and most of all, improve customer experience.



Customer Service

The Bank continuously strives to be the country's consumer and retail bank of choice, by conforming to the highest standards of integrity, professionalism and teamwork. The Bank commits to provide its customers superior products and reliable services that contribute to social and environmental sustainability.

ENVIRONMENT ASPECT



Environmental Compliance

PSBank continues to manage the environmental impacts of its owned buildings and operations. Its policies and processes are reviewed at least annually to ensure that they remain in accordance with existing and new laws and regulations. In 2021, the Bank appointed Pollution Control Officers and Managing Heads for the head office and branch clusters across the country. In 2022, the Energy Manager was likewise appointed and certified.

SOCIAL ASPECT



Customer Health and Safety

To ensure that both customers and employees are able to engage with each other comfortably and safely amidst any rise of health issues and concerns, the Bank maintains strong and effective health and safety protocols in its premises. It has measures to ensure that these are strictly followed by employees, customers and visitors. In addition, its clients can alternatively access the Bank's digital platforms to perform their transactions safely.



Diversity and Equal Opportunity

The Bank believes in the importance of diversity in promoting inclusive growth and maintaining a collaborative working environment. It employs and promotes competent individuals regardless of gender, age, socioeconomic status, religion and cultural ethnicity.



Non-discrimination and Labor Relations

The Bank ensures strict implementation of its Code of Conduct and maintains a strong partnership with its Employee Union. Through CXHRG – People and Labor Relations Department, the Bank closely monitors the compliance of its branches and head office units with all necessary DOLE certification and requirements. This contributes to the Bank's satisfactory rating in all the DOLE audit exercises.



Workplace Health and Safety

The Bank treats with high importance its employees’ wellness and well-being on all fronts – physically, mentally, emotionally, socially, and spiritually. It has programs consisting of knowledge bits issued via the Bank’s intra network, webinars, in person trainings, and employee engagement activities. Among these is the Mandatory Employee Safety and Health (MESH) training conducted annually. The Bank intensifies its employee awareness and educational drive with hybrid symposiums facilitated by external medical experts and in-house psychologists. The Bank complies with the required city health clearance certificates for head office-based employees.



Human Rights Protection

PSBank, governed by its policies and Code of Conduct, upholds the human rights of its customers, employees and other stakeholders.



Talent Acquisition and Retention

The Bank believes that each employee should be given equal opportunity to improve oneself and attain one’s highest potential. It uses a Competency Framework to ensure that all employees’ skill sets are considered, and matched with existing and future talent requirements of the business. The said framework helps strengthen the Bank’s succession planning initiatives to identify, grow and retain internal talents while ensuring a sustainable manpower pool for business continuity.

GOVERNANCE ASPECT



Anti-fraud and Anti-bribery / Governance Aspect / Anti-corruption / Whistleblower Protection

The Bank’s Code of Conduct and Whistleblowing policies are in place to guide employees in reporting impropriety or malpractice committed by co-employee(s) or third party(ies). The whistleblower is protected from any form of harassment or retaliation as a result of any disclosure done in good faith. The Bank’s Fraud Management Group uses several tools and industry best practices for early detection, prevention, and management of internal and external fraud.





Data Management and Security Practices

The Bank’s Data Privacy policies support the Data Security Framework. They ensure that all personal data and information are properly protected throughout their lifetime in the Bank – from the encrypted collection of data to storage and processing, secured sharing and disposal should the need or requirement arise. These apply to its customers, third parties, employees and other stakeholders.



Customer Privacy

The Bank protects customer data through multiple layers of security, as well as policies that are closely intertwined with its business processes. The Data Protection Officer (DPO) is responsible for ensuring compliance with the guidelines and directives of the country’s strict data privacy and confidentiality laws.

INTRODUCTION	SUSTAINABILITY AT PSBANK	ECONOMIC IMPACT	ENVIRONMENTAL IMPACT	SOCIAL IMPACT	GOVERNANCE IMPACT
	Ethics and Integrity				
<p>The Bank subscribes to and adopts the country’s laws to protect the: (1) integrity and confidentiality of accounts and ensure that they shall not be used as a money laundering/terrorism financing site and/or conduit for the proceeds of unlawful activities; and (2) life, liberty and property from acts of terrorism by condemning such acts and those who support and finance them as a crime against the Filipino people, against humanity, and against the law of nations.</p>					
	Financial Risk Management				
<p>In managing its stakeholder value, the Bank ensures its enterprise risk management remains effective, robust and relevant through the major risk areas of credit, market and operational risks. The risk management activities cover: regular review and updating of risk management policies, risk limits and triggers, and tools, exposures identification, measurement and assessment, monitoring, control and reporting and promoting operational efficiency, compliance, risk awareness and management. These help the Bank maintain risk levels within low or zero appetite.</p>					
<p>The Bank employs Sustainable Finance Framework (SFF) and Environmental and Social Risk Management (ESRM) policies to ensure integration of environmental, social, and governance criteria into its day-to-day business operations and its financial products and services.</p>					
<p>On a regular basis, the Bank’s Board reviews and ensures that the Bank’s capital is strong, adequate and resilient to deliver its strategic plan and protect stakeholder value within its risk appetite and tolerance.</p>					
<p>For a complete discussion, please refer to the Annual Report disclosures on Risk Management.</p>					



ECONOMIC IMPACT

ECONOMIC PERFORMANCE

GRI 201-1

Direct Economic Value Generated and Distributed

The Bank boosts its portfolios and ensures its risk mitigating measures remain robust to handle present and evolving risks, including environmental and social risks. The Bank meets its commitments to internal and external stakeholders through continuous rationalization such as for adequate and effective manpower complement, efficient operations, and adaptive strategies.

EXHIBIT 3. ECONOMIC VALUE. DECEMBER 2023 VS DECEMBER 2024

ECONOMIC METRICS ¹	2023 DEC 31	2024 DEC 31	% CHANGE
Economic value generated	13.85	15.26	9%
Operating cost	3.37	3.70	10%
Employee wages and benefits	3.81	4.09	7%
Payments to suppliers, other operating costs	4.3	4.4	2%
Payments to providers of capital	1.28	1.28	0%
Payments to government	2.97	2.34	(21%)
Community investments	0.01	0.01	0.00%

¹In PHP billion, except for community investments



PROCUREMENT PRACTICES

GRI 204-1

Proportion of spending on local suppliers

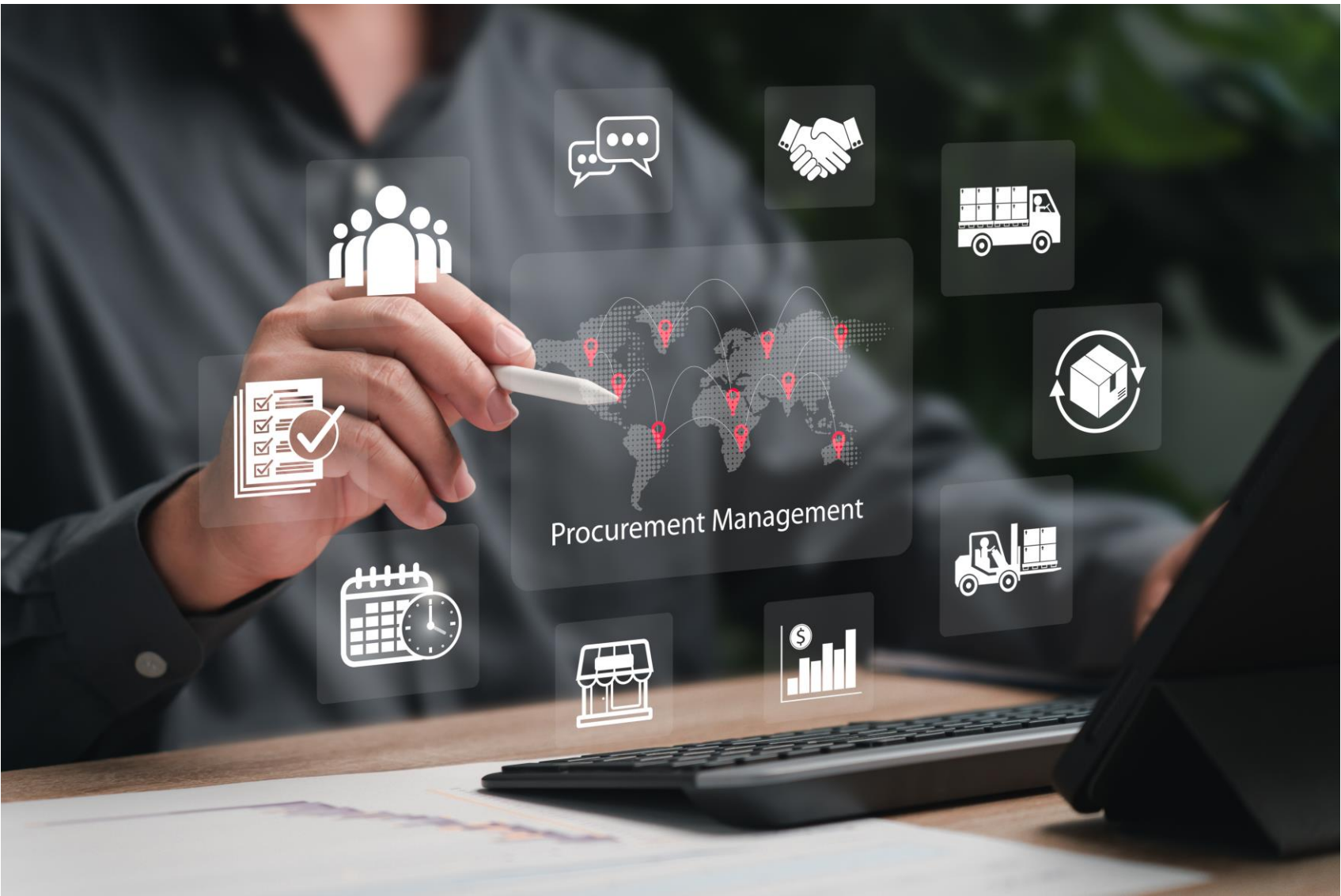
The Bank has internal procurement policies for submission, canvassing, approval, awarding, notification and recording of product or service requirements. It maintains its pool of accredited service providers or vendors based on sound criteria. The Bank may engage Metrobank-accredited partners whenever warranted. Purchase requests that are categorized for canvassing shall require price quotations from at least three service providers or vendors on the accredited list. The purchase shall be awarded based on economic cost and business benefits. These promote ethical practices and prevent any potential conflicts of interest.

Internal policies and regulatory requirements on Related Party Transactions are strictly enforced.

The Bank ensures that it prioritizes its pool of local suppliers in every purchase and engage international suppliers as its last resort.

88%

of total spending on suppliers were disbursed to local suppliers, amounting to Php 3.9billion.





ANTI-CORRUPTION

GRI 205-2

Training on Anti-corruption Policies and Procedures

The Bank’s anti-corruption programs and procedures are documented in the Bank’s manuals regarding Reporting of Impropriety or Malpractice and Code of Conduct which include policies against Bribery and Corruption and provisions on (1) Disciplinary process; (2) General policies to establish a professional working environment and secure a favorable reputation for the Bank; (3) Corrective measures for unacceptable behavior or failure to comply with rules, such as on Financial Consumer Protection and on Anti-Money Laundering/Terrorism Financing/Proliferation Financing policies and procedures; (4) Schedule of penalties for attendance and punctuality, required corporate attire, conduct and behavior, dishonesty, health, safety and security, reporting of violations, and information security; and; (5) Provisions on management of personal finances, conflict of interest, bribery and corruption, anti-sexual harassment, non-disclosure of information, data privacy and information, and insider information.

EXHIBIT 4. TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES. FY 2024

DISCLOSURE	QUANTITY
Percentage of employees to whom the organization’s anti-corruption policies and procedures have been communicated	100%
Percentage of business partners to whom the organization’s anti-corruption policies and procedures have been communicated	100%
Percentage of directors and management that have received anti-corruption training	100%
Percentage of employees that have received anti-corruption training	100%

The Bank implements regular anti-corruption training programs and assessments to ensure that all employees as well as individuals with direct contractual agreements with PSBank, are well-informed and continuously reminded of these policies and procedures.

Upon onboarding, all employees are briefed on the Bank’s Code of Conduct. Regular corporate communications and training sessions reinforce the Bank’s zero-tolerance policy on corruption.

Incidents of Corruption

The Bank successfully upheld its commitment to integrity and ethical business practices, with no reported incidents of corruption during the reporting period. This reflects the Bank’s strong governance framework and continued efforts to promote transparency and accountability across all operations.

EXHIBIT 5. NUMBER OF INCIDENTS OF CORRUPTION. FY 2024

DISCLOSURE	QUANTITY
No. of incidents in which directors were removed or disciplined for corruption	0
No. of incidents in which employees were dismissed or disciplined for corruption	0
No. of incidents when contracts with business partners were terminated due to incidents of corruption	0



Grievance Mechanism for Whistleblowers

GRI 2-25

The Bank believes that to be a successful financial institution, all its employee should exude the highest level of integrity, honesty and professionalism.

The whistleblowing policies require its employees to report any impropriety or malpractice, dishonesty or fraud committed by co-employee/s or third party or parties to the Group Heads or to the Customer Experience and Human Resources Group Head, Fraud Management Group Head, or Chief Audit Executive/Internal Audit Group Head, for evaluation if it would warrant an investigation. Under the Code of Conduct, concealment or non-reporting is considered as an impropriety or malpractice in itself.

A whistleblowing report must be made in good faith, believing it is true and not made maliciously or for personal gain. The whistleblower’s identity and right to privacy is protected by the Bank to ensure that he/she is protected from any form of harassment. The policies consider any attempt to determine the whistleblower’s identity as a breach of confidentiality which is subject to disciplinary sanctions.

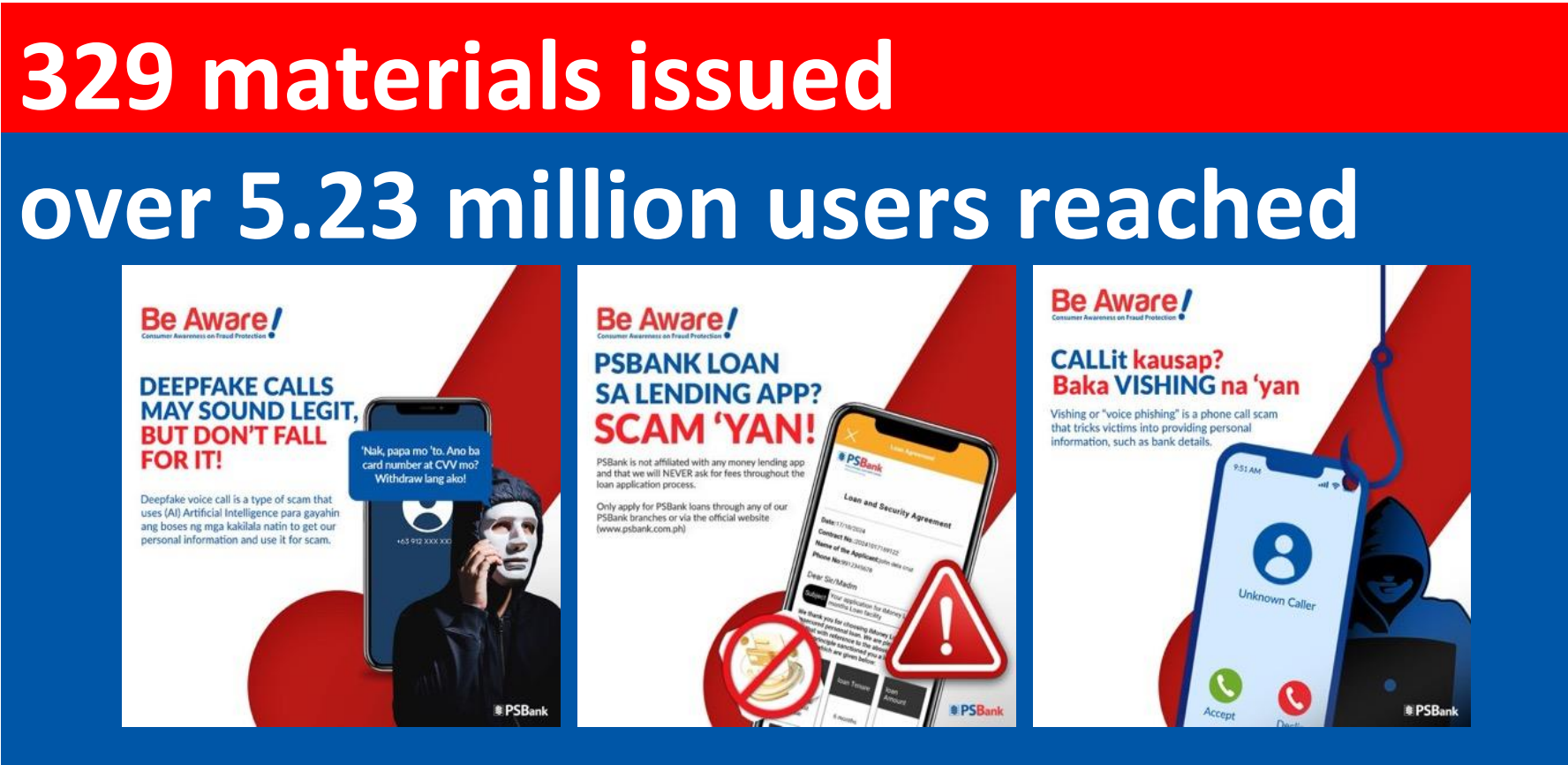
FINANCIAL INCLUSION AND LITERACY

GRI 403-1

PSBank aims to empower individuals to build and maintain their financial well-being. The Bank continues to provide financial literacy to the country’s banking public through its flagship campaign – “Be Aware”.

The Be Aware campaign aims to educate, update and increase the awareness on the latest scams and modus operandi that try to victimize unsuspecting clients as they perform their financial transactions. This covers campaigns on phishing, pharming, vishing, skimming, SMSing, email scam, social media scam, identity theft, check fraud, clickbaits, shopping scam, travel scam, unwanted loans and obligations, employment scam, and ransomware.

EXHIBIT 6. FINANCIAL INCLUSION AND LITERACY REACH. FY 2024





RESPONSIBLE INVESTMENTS

GRI 201

The Bank’s contribution to SDG 8 – Decent Work and Economic Growth as defined in its Sustainable Finance Framework is to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all by increasing its non-retail portfolio specially its Small and Medium Enterprise (SME) loan portfolio.

The Bank offers term loans, credit lines, letters of credit and trust receipts, bills purchase, and discounting lines which are integral to support SME capital requirements, acquisition of fixed assets, and funding for day-to-day operations. By financing the requirements of the country’s SME sector, the Bank indirectly supports employment growth and boosts production of goods and services which in part contributes to the Philippine’s National Development Goals to lower the country’s unemployment rate by 2030.

PHP 5.81B
Outstanding SME Loans

PHP 2.64B
SME Loans extended to new clients in 2024

As part of the Bank efforts to strengthen risk management, it conduct physical risk assessments to evaluate the impact of floods, typhoons, and other climate hazards on bank-owned properties, capital assets, and real estate mortgage (REM) collaterals. These assessments help identify high-risk areas and enhance risk mitigation strategies in lending and investment decisions.

The Bank also assesses environmental and social risks associated with financed activities. It classifies exposures into low, medium or high E&S risk following recognized industry frameworks.

EXHIBIT 7. SECTOR WISE CREDIT LENDING (COMMERCIAL AND INDUSTRIAL CREDIT). FY 2023 VS FY 2024

UN SUSTAINABLE DEVELOPMENT GOAL	INDUSTRY	E&S RISK	2023		2024		
			AMOUNT (IN BILLIONS PHP)	% SHARE	AMOUNT (IN BILLIONS PHP)	% SHARE	
1 - No Poverty	Consumption	Low	0.010	0.14%	0.010	0.13%	
2 - Zero Hunger	Agriculture, Forestry and Fishing	Medium	0.046	0.67%	0.159	2.08%	
		Low	0.027	0.40%	0.027	0.35%	
	Human Health and Social Activities	High	0.005	0.07%	0.008	0.11%	
		Medium	0.038	0.56%	0.032	0.42%	
		Low	0.003	0.04%	0.002	0.03%	
4 - Quality Education	Education	Low	0.011	0.16%	0.018	0.23%	
6 - Clean Water and Sanitation	Water Supply, Sewerage, Waste Management and Remediation Activities	High	0.001	0.01%	0.001	0.01%	
		Medium	0.012	0.18%	0.006	0.08%	
7 - Affordable and Clean Energy	Electricity, Gas, Steam and Air Conditioning Supply	High	1.010	14.87%	0.917	11.96%	
8 - Decent Work and Economic Growth	Accommodation and Food Services Activities	Medium	0.055	0.80%	0.073	0.96%	
		Low	0.000	0.00%	0.000	0.00%	
	Activities of Households as Employers and Undifferentiated Goods-and-Services-Producing Activities of Households for Own Use	Low	0.155	2.29%	0.166	2.17%	
	Administrative and Support Service Activities	Low	0.074	1.08%	0.087	1.13%	
	Arts, Entertainment and Recreation	Medium	0.016	0.24%	0.012	0.16%	
	Financial and Insurance Activities	Low	1.467	21.61%	1.221	15.91%	
	Manufacturing	High	0.158	2.32%	0.160	2.09%	
		Medium	0.131	1.92%	0.174	2.26%	
		Low	0.010	0.15%	0.008	0.11%	
	Other Service Activities	High	0.018	0.27%	0.031	0.40%	
		Medium	0.118	1.74%	0.168	2.18%	
		Low	0.424	6.24%	0.481	6.27%	
	Professional, Scientific and Technical Services	Low	0.106	1.56%	0.077	1.01%	
	Real Estate Activities	Low	0.652	9.60%	0.913	11.90%	
	9 - Industry, Innovation, Infrastructure	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	High	0.115	1.70%	0.154	2.01%
			Medium	0.067	0.99%	0.037	0.48%
		Construction	Low	1.311	19.30%	1.837	23.96%
Medium			0.387	5.69%	0.517	6.74%	
Low			0.003	0.04%	0.003	0.04%	
11 - Sustainable Cities and Communities	Information and Communication	Low	0.023	0.34%	0.014	0.18%	
	Mining and Quarrying	High	0.001	0.02%	0.001	0.02%	
11 - Sustainable Cities and Communities	Transportation and Storage	Medium	0.278	4.10%	0.206	2.68%	
		Low	0.060	0.88%	0.148	1.93%	
Grand Total			6.791	100.00%	7.669	100.00%	



In support of sustainable finance, the Bank refined its taxonomy guidelines for its financial products and investments in accordance with BSP Circular 1187 on Philippine Sustainable Finance Taxonomy Guidelines. This helps classify activities that contribute to climate change adaptation and mitigation while meeting regulatory expectations.

The Bank evaluates transition risks by analyzing the greenhouse gas (GHG) emissions linked to a borrower’s industry and operations. It also integrates stress testing scenarios to identify vulnerabilities and plan ahead for potential regulatory changes, ensuring adaptability in a shifting market landscape.

The Bank also supports the Philippine government's move towards a greener mobility by financing hybrid and electric vehicles (EV) through its Auto loan facility.



EXHIBIT 8. HYBRID AND EV AUTO LOANS. DECEMBER 2023 VS DECEMBER 2024

HYBRID/EV AUTO LOANS	2023 DEC 31	2024 DEC 31
Count	1,720	2,475
Outstanding Balance (in million PHP)	1, 763.51	2,555.16
Growth (YOY)	84.90%	54.42%

In 2024, the Bank has successfully invested Php100 Mn in 10-year Sustainability-Linked Bond (SLB).

PSBank’s approach to address climate change risks in its lending business continues to evolve. Diligent review of its existing processes, policies, and tools is carried out with the collaboration of the Bank's Credit, Risk Management and business units to ensure continued relevance, comprehensiveness and effectiveness.

INNOVATION AND TECHNOLOGY

The Bank also prioritizes SDG 9 – Industry, Innovation, and Infrastructure. The Bank endeavors to contribute and continue to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

The Bank integrates sustainable innovation across key areas.

- People – empowering employees and communities through technology and upskilling
- Systems, policies and procedures – strengthening governance and risk management through digital transformation
- Products and services – developing innovative, sustainable financial solutions to meet evolving market needs



In order to support the development of sustainable products and services, and deployment of efficient operations, the Information Technology Group is beefed up with highly skilled personnel who are up to date with latest and more effective technology solutions. They undergo professional development programs relevant to the product or project requirements.

System enhancements and developments follow governance policies and have adequate documentations that include sustainability benefits. In 2024, the Bank deployed 22 technology projects, with highlights described below.

1. People

To enhance the experience of employees, clients and suppliers, the Bank continued to implement in-house system enhancements during the year. For employees, the employee portal was redesigned to provide a search facility; simple and intuitive access to bank information and systems. For clients, the introduction of a flexible renewal process for personal loans, and a more seamless bank account opening experience contributes to operational efficiency. For suppliers, the deployment of an automated system for issuing BIR 2307 forms reduces manual intervention and minimizes resource consumption.

2. Systems, Policies and Procedures

The Bank’s system upgrade projects continue to address risks associated with obsolescence or unsupported application. Its systems keep on improving for better security and performance.

A key initiative enabled implementation of customer information updates across critical systems for deposits and loans at the same time. This improves efficiency, accuracy and data consistency, and reduces manual intervention and operational risks.

Facility for monitoring and maintenance of the Bank’s security risk assessments was completed. Separately, a module was built in the Bank’s existing portal that allows effective management and monitoring of sales referrals and related interactions.

Specific loans system modules were migrated to cloud and ensured greater availability, stability and scalability. Mobile check review module was also migrated to cloud for more efficient review of checks following the minimum security requirements.

3. Products and Services

In order to improve customer experience, a new version of the Bank's mobile application was launched last July 2024 with a refreshed home and splash screen images, a facility for customized transaction links, additional details on time deposit and loan transactions, and a facility to save or share transaction receipts. The Bank updated SMS message alerts for various CASA OTC transactions such as check withdrawal and inward checks. A two-way SMS facility was also launched for customer's ease in processing Flexi loan renewal.



ENVIRONMENTAL IMPACT

ENVIRONMENTAL COMPLIANCE

GRI 2-27

The Bank remains committed to managing the environmental impact of its owned buildings and operations while ensuring compliance with relevant environmental regulations. For leased properties, environmental management responsibilities are coordinated with the respective lessors.

The Bank’s certified Pollution Control Officers and Managing Heads across the head office and branch clusters nationwide play a key role in monitoring and reporting compliance with environmental laws. It engages specialized service providers, as necessary, to assist in adhering to various environmental laws, including Republic Act (RA) 8749 (Philippine Clean Air Act of 1999), RA 6969 (Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990), and RA 9275 (Philippine Clean Water Act of 2004). Any citation for violation is resolved within acceptable turnaround time.

Additionally, the Bank complies with energy efficiency regulations, including RA 11285 (Energy Efficiency and Conservation Act). Milestones include the transition of its head office and one provincial branch to renewable energy sources. The Bank regularly engages a third-party service provider to conduct energy audits and formulates its Energy Management Plan to optimize energy consumption further. This initiative includes training and certification of select personnel as Energy Conservation Officers, who shall assist the Certified Energy Manager in the delivery of the Energy Management Plan.

EXHIBIT 9. ENVIRONMENTAL COMPLIANCE. FY 2024

COMPLIANCE METRICS	QUANTITY
Total amount of monetary fines for non-compliance w/ environmental laws and/or regulations	Php 119,738.44
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None
No. of Cases resolved through dispute resolution mechanism	0



RESOURCE MANAGEMENT

Electricity Consumption

GRI 302-1

The Bank’s energy consumption is mainly from its branches, followed by the head office, offsite ATMs, and warehouses. Since 2022, the head office has sourced its electricity from 100% renewable energy. Additionally, one of its branches located in Los Baños, Laguna, has installed solar panels as its power source beginning in 2023.

EXHIBIT 10. ELECTRICITY CONSUMPTION. FY 2023 VS FY 2024 (in MWH)

ENERGY SOURCE	2023	2024	% CHANGE
Total Renewable Energy Consumption	5,944.24	5,991.23	0.79%
Head Office	5,939.52	5,968.47	0.49%
Los Baños, Laguna Branch	4.72 ¹	22.76 ²	381.90%
Total Non-Renewable Energy Consumption	10,424.37	10,437.29	0.12%
Branches	9,895.90	9,914.77	0.19%
Offsite ATMs	393.77 ³	398.20	1.13%
Warehouse	134.70	126.32	(6.22%) ⁴
Total Consumption	16,368.61	16,430.48	0.38%

¹Solar power was installed in October 2023.

²The Bank exported total of 3,750 KWH to the grid through net metering beginning in June 2024.

³Updated 2023 data.

⁴Decrease in consumption is due to conversion to LED lights.



Fuel Consumption

GRI 302-1

The Bank monitors and reports fuel consumption from both mobile and stationary sources. Mobile fuel consumption includes fuel used by Bank-owned vehicles for loan collection, general services, and other operational activities. On the other hand stationary fuel consumption is primarily from generator sets that provide backup power to the head office, branches, and warehouses.

The Bank also tracks fuel usage by type, specifically gasoline, diesel, and LPG. Gasoline is used exclusively for transportation while diesel is utilized for both transportation and generator sets. The Bank does not consume LPG in its operations.

EXHIBIT 11. FUEL CONSUMPTION. FY 2023 VS FY 2024 (in liters)

FUEL TYPE	2023	2024	% CHANGE
Diesel	110,727.09	123,872.06	11.87%
Transportation	94,633.09	108,670.75	13.78%
Generator Set	16,094.00	16,201.31	0.67%
Gasoline	16,033.05	11,474.71	(28.43%)
Transportation	16,033.05	11,474.71	(28.43%)
LPG	-	-	-
Total Fuel Consumption	126,760.14	135,346.77	6.77%

Energy Intensity

GRI 302-3

The Bank continuously monitors and optimizes its energy consumption across operations based on intensity. Energy intensity is measured in terms of electricity and fuel usage per million PHP revenue, full-time employee, and square meter of premises.

EXHIBIT 12. ENERGY INTENSITY PER METRIC. FY 2023 VS 2024

INTENSITY	ELECTRICITY (IN MWH)		FUEL (IN LITERS)	
	2023	2024	2023	2024
Per million PHP Revenue	1.18	1.08	9.15	8.87
Per Full Time Employee	5.78	5.72	44.73	47.13
Per Square Meter of Premises	0.12	0.12	0.94	1.00



Water Consumption

GRI 303-13, GRI 303-5

Water for the Bank’s head office is primarily supplied by a local water utility provider, while the majority of its leased and owned facilities receive water from local utilities. Six branches rely on extracted water from deep wells.

EXHIBIT 13. WATER CONSUMPTION. FY 2023 VS FY 2024 (in cubic meters)

WATER CONSUMPTION	2023	2024	% CHANGE
Water Supplied	62,414.76	68,835.07	10.29%
Water Withdrawal	764.71	778.48	1.80%
Water recycled and reused	0	0	-
Total Water Consumption	63,179.47	69,613.55	10.%

The Bank remains committed to responsible water management by monitoring consumption trends and exploring opportunities such installation of more efficient water faucet and regular maintenance.

Materials Used

GRI 301-1, GRI 301-2

The Bank measures the total weight of materials used in its operations. Renewable materials used include paper for bank forms, bank transactions, and correspondences. Non-renewable materials used include plastics for debit cards and flexi loan cards. The Bank seeks to explore sustainable alternatives made from bio-based and recycled plastic materials.

EXHIBIT 14. MATERIALS USED. FY 2024 (in tonnes)

MATERIALS	QUANTITY
Renewable materials	43.33
Non-renewable materials	0.0052
Percentage of recycled input materials used to manufacture the organization’s primary products and services	0%

The Bank implements various initiatives and develops platforms that promote digitalization to reduce paper usage. These efforts include electronic Statements of Account (SOAs), online account opening, and online form fulfillment.



Ecosystems and Biodiversity

GRI 101-5

PSBank has established policies governing the selection of locations for its branches, off-site ATMs, and warehouses. It does not have any operational site located within or adjacent to protected areas or areas of high biodiversity value outside protected zones. Habitat protection and restoration are not part of the Bank’s business operations, and no direct impact has been observed on flora and fauna species listed under the International Union for Conservation of Nature (IUCN) and DAO 2017-11, nor on their natural habitats.

EXHIBIT 15. ECOSYSTEMS AND BIODIVERSITY. FY 2024

DISCLOSURE	QUANTITY
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None
Habitats protected or restored	None
IUCN* Red List species and national conservation list species with habitats in areas affected by operations	None

*International Union for Conservation of Nature

The Bank recognizes its products and services may have indirect environmental impact. In accordance with its Environmental and Social Risk Management System (ESRMS) policies, all proposals for loans and other credit accommodations undergo a thorough environmental and social risk and impact assessment. This forms part of the overall assessment of borrowers’ eligibility for financing. The Bank also adheres to the Sustainable Finance Taxonomy Guidelines set forth by BSP to identify and grow activities that contribute to climate mitigation, adaptation or both.

Beyond its internal sustainability initiatives, PSBank actively supports community-driven environmental protection and conservation programs, such as clean-up drives and tree-planting activities. In addition, it does not initiate nor participate activities that do harm to local communities and vulnerable sector.





ENVIRONMENTAL IMPACT MANAGEMENT

Greenhouse Gas (GHG)

GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-6

The Bank’s greenhouse gas (GHG) emissions are calculated in reference with the Global Reporting Initiative (GRI) Standards, specifically GRI 305: Emissions 2016, IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures. The methodology follows the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) to ensure transparency and comparability. The emission factors used in the calculations are based on the latest values released by the Department of Energy (DOE), the Partnership for Carbon Accounting Financials (PCAF), and the GHG Protocol. Additionally, the Global Warming Potential (GWP) values are derived from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6).

The Bank’s GHG emissions primarily comprise of Scope 1 emissions from fuel consumption, Scope 2 emissions from purchased electricity, and beginning in 2024, Scope 3 emissions from financed emissions, leased assets, and employee business travel. To ensure comprehensive disclosure of absolute gross GHG emissions generated during the reporting period, all relevant gases have been aggregated into CO₂ equivalent (CO₂e) values and expressed in metric tonnes.

EXHIBIT 16. ABSOLUTE GHG EMISSIONS* GENERATED. FY 2023 VS FY 2024 (in tonnes CO₂e)

EMISSION SOURCES	2023	2024	% CHANGE
Scope 1	367.04	397.00	8.16%
Scope 2	4982.92	4990.88	(0.16%)
Scope 3	-	442,784.11	-
Emissions of ozone-depleting substances (ODS)	0	0	0
Total	5349.96%	448,171.99	82.77%

**Both 2023 and 2024 GHG emissions used the latest calculation method and factors.*



Emissions per Type of Gas

GRI 305-1, GRI 305-2, GRI 305-3

The Bank measures greenhouse gases listed under the Kyoto Protocol and aligns with IFRS requirements. These include Carbon Dioxide (CO₂), Methane (CH₄), and Nitrous Oxide (N₂O).

EXHIBIT 17. EMISSION PER TYPE OF GAS. FY 2024 (in tonnes)

TYPE OF GAS	QUANTITY
CO ₂	153,385.95
CH ₄	318.39
N ₂ O	1,045.05

Scope 3 – Indirect Emissions

GRI 305-3

The Bank calculates its indirect greenhouse gas (GHG) emissions from upstream and downstream activities, also known as Scope 3 emissions during the reporting period.

The key Scope 3 categories include Category 6 (Business Travel), which covers emissions from employee transportation and hotel accommodation for business-related activities; Category 8 (Upstream Leased Assets), which includes emissions from the operation of leased assets; and Category 15 (Financed Emissions), which accounts for emissions associated with the Bank’s auto loan portfolio, following the PCAF methodology.

EXHIBIT 18. SCOPE 3 GHG EMISSIONS PER CATEGORY. FY 2024 (in tonnes CO₂e)

SCOPE 3 CATEGORY	QUANTITY
Category 6 Business Travel	684.11
Category 8 Upstream Leased Assets	6,516.64
Category 15 Financed Loans	435,583.37



GHG Emission Intensity

GRI 305-4

The Bank measures GHG emission intensity relative to business metrics, such as revenue, number of full-time employees, and total premises area. This allows understanding of the Bank’s carbon footprint in relation to its operational scale and economic output.

EXHIBIT 19. GHG EMISSION INTENSITY. FY 2024

GHG EMISSION INTENSITY	SCOPE 1		SCOPE 2		SCOPE 3
	2023	2024	2023	2024	2024
Per million Php Revenue	0.0265	0.0260	0.3598	0.3270	29.0122
Per Full Time Employee	0.1295	0.1382	1.7583	1.7378	154.1727
Per Square Meter of Premises	0.0027	0.0029	0.0369	0.0369	3.2748

Air Pollutants

GRI 305-7

The Bank does not generate any air pollutants in its operations.

EXHIBIT 20. AIR POLLUTANTS. FY 2024 (in tonnes)

AIR POLLUTANTS GENERATED	QUANTITY
NOx	0
SOx	0
Persistent organic pollutants (POPs)	0
Volatile organic compounds (VOCs)	0
Hazardous air pollutants (HAPs)	0
Particulate matter (PM)	0



Solid Waste
GRI 306-3, GRI 306-4, GRI 306-5

The Bank remains committed to responsible waste management by ensuring the proper segregation and disposal of physical wastes across head office, branches, and warehouse. Waste management practices are enforced and monitored through the Green Housekeeping Program.

Non-Hazardous and Hazardous Waste
GRI 306-3, GRI 306-4, GRI 306-5

Both non-hazardous and hazardous wastes are disposed of through city-accredited garbage collectors. The Bank’s third-party service providers are required to certify the proper disposal and handling of hauled wastes from the head office. The Bank initiated in 2024 the selection of DENR-accredited hazardous waste transporter and treater.

Effluents
GRI 306-3, GRI 306-4, GRI 306-5

The Bank does not generate any effluents on its operations.

EXHIBIT 21: SOLID WASTE GENERATED. FY 2024 (in tonnes)

SOLID WASTE GENERATED	QUANTITY
Reusable	0.62
Recyclable	83.39
Composted	0.16
Incinerated	0.00
Residuals/Landfilled	17.62
Total	101.79

EXHIBIT 22: HAZARDOUS WASTE. FY 2023 VS 2024 (in tonnes)

HAZARDOUS WASTE	2023	2024	% CHANGE
Total generated	1.02	0.83	(18.19%)
Total transported	0	0	-

EXHIBIT 23: EFFLUENTS. FY 2024 (in cubic meters)

EFFLUENTS	QUANTITY
Total volume of water discharges	0
Percent of wastewater recycled	0

Renewable Energy and Efficiency Measures

GRI 303-4

The Bank's head office sources its electricity from 100% renewable energy. This reduces the head office's carbon emissions and operational costs compared to using traditional non-renewable energy sources.



Beginning 2023, its branch in Los Baños, Laguna reduced carbon footprint and reliance on non-renewable power as a result of installation of solar panels. Energy provided by the solar panels stands at 51% of the branch's requirement on business days. In May 2024, through net metering, the branch earned credits from excess solar energy fed into power grid on non-business days. The Bank evaluates expansion of the use of solar energy across other potential branches.

The Bank continues its energy-saving measures with the opportunistic conversion to LED light fixtures and signages, turning off lights during lunch breaks in different head office units, and seeking for additional renewable energy alternatives. In addition, the Bank regularly conducts energy audit in its facilities to assess opportunities to improve energy efficiency. These initiatives are aligned with its commitment to SDG 13 Climate Action and with Philippine Energy Plan.



MANAGEMENT OF ENVIRONMENTAL RISKS AND OPPORTUNITIES

GRI 201-2

PSBank continues to make progress in enhancing the management of climate-related risks and opportunities across its operations.

In 2022, PSBank put in place the ESRM framework that aligns with Bangko Sentral ng Pilipinas (BSP) Circular 1128, to effectively identify, measure, manage, monitor and report environmental-related risks, including physical and transition risks across the Bank.

Physical risks concerning the operations and Bank's assets generally arise from natural disasters (e.g., flooding, storm surge, landslides, and typhoon). The Bank applies Climate Risk Assessment (CRA) to measure the likelihood and severity of impact across its assets (e.g. head office, branches, warehouses, employee and supplier locations). CRA results are considered in the planning and selection of operation sites. In the event of climate hazards, the Bank's Business Continuity Plan (BCP) may be initiated to ensure the key business operations are uninterrupted and their supporting technology are functional. The Bank ensures that its BCP stays updated and relevant through continuous testing and incorporating lessons learned from exercises and events.

The lending business of the Bank is exposed to physical and transition risks and opportunities. CRA is utilized for loans secured by real estate property. Physical risk parameters affect the valuation of collateral and the loan terms. For transition risk, scenarios such as stricter government policies are considered in stress testing for financial planning and forecasting of the Bank's portfolio.

PSBank remains committed to strengthening its climate risk management strategies, ensuring resilience and sustainability in its operations and services amidst evolving environmental risks and opportunities.





SOCIAL IMPACT

PSBank is always mindful of its social impact relative to providing financial products and services and its overall operations.

EMPLOYEE MANAGEMENT

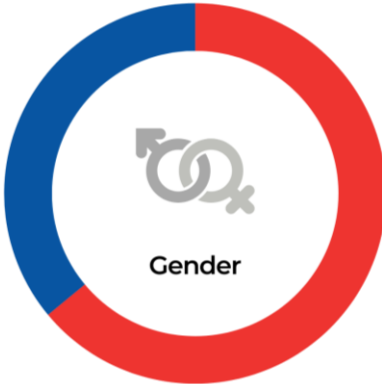
Workforce Diversity
GRI 2-7, GRI 405-1

The Bank believes in the value of diversity to promote innovation, inclusive growth, and a collaborative organizational environment.

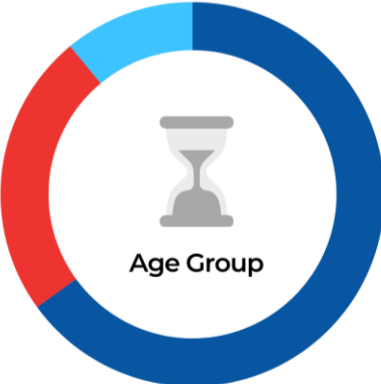
EXHIBIT 24. EMPLOYEE COUNT AND DIVERSITY. FY 2024



2,872
Full Time Employees
(Regular/Probationary)



64% Female
36% Male



24% <30 yo
65% 30-50 yo
11% >50 yo



59% Rank and File
20% Junior Management
19% Middle Management
2% Senior Management

69
Employees in vulnerable
group (solo parent)



New Employee Hires and Employee Turnover

GRI 401-1

PSBank regularly conducts programs to protect and sustain its workforce. It starts with organizational requirements to meet its objectives and long-term goals. Job descriptions are designed to match the different roles and functions that employees perform. Manpower patterns are analyzed to account for changes and better forecast future manpower needs. These consider expected business growth, planned employee retirements, and historical employee separations. Moreover, the Bank strives for employee retention through talent management and professional development programs.

Programs for recruitment include tie-up with reputable universities and colleges to target its graduating classes. Prospecting of skilled and experienced personnel is done through reliable online professional platforms, online employment market places, and recruitment agencies.

HR regularly reviews the roster of employees and their competencies, and prepares for employee movements for a smooth transition for both employee and affected business unit.

EXHIBIT 25. NEW EMPLOYEE HIRES, TURNOVER COUNT AND ATTRITION RATE. FY 2024

DISCLOSURE	QUANTITY
No. of New Hires	302
No. of Turnover	264
Attrition Rate*	1.33%

*Adopted from SEC no. 4 of 2019

Attrition Rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Employee Benefits

GRI 201-3; GRI 401-2

The Bank provides government-mandated and voluntary benefits to its employees. These include leaves, salary and other loan options, medical benefits, wellness and well-being support, among others. Benefits administration is facilitated through the Bank’s systems such as Integrated Workforce Experience System (iWorXS) and Request Using Service Helpdesk (RUSH.net) for efficiency.

The Bank provides fair compensation and in accordance with labor laws. It has zero ratio of lowest paid employee against the minimum wage. For rank and file employees, the compensation is linked to both performance and Bank’s contractual obligation under its Collective Bargaining Agreement (CBA). The Bank’s directors and officers are provided with industry competitive compensation packages.

EXHIBIT 26. EMPLOYEE BENEFITS AVAILMENT. FY 2024

EMPLOYEE BENEFITS	TYPE	FEMALE	% SHARE	MALE	% SHARE
Statutory: SSS	Salary / Emergency Loan	426		193	
	Sickness Benefit	45	19.05%	12	7.14%
	SSS Maternity Benefit	76		0	
Statutory: PhilHealth	HMO In Patient Report	141	4.91%	53	1.85%
Statutory: Pag-IBIG	MPL / Calamity Loan	218	7.59%	95	3.31%
PSBank Medical Benefit	Medical Subsidy	1,783	63.66%	1018	36.34%
PSBank Loan	Home Equity Loan	51		22	
	Salary Loan	44	3.31%	26	1.71%
	Car Loan	0		1	
PSBank Teller's Incentive <i>(Entitlement based on internal policies)</i>	Teller's Incentive Allowance	612	21.31%	197	6.86%
PSBank Burial Assistance	Burial Assistance	84	2.92%	61	2.12%
PSBank Board Passer's Incentive	Board Passer's Incentive	1	0.03%	0	-
PSBank Group Life Insurance	Death Benefit	0	0.00%	0	0.00%
Company Stock Options		N/A	N/A	N/A	N/A
Telecommuting		N/A	N/A	N/A	N/A
Flexible Work Arrangement		1,738	60.52%	919	32.00%



Employee Training and Development

GRI 404-1

The Bank recognizes that training and education are critical components of the goal to strengthen employee skills and competencies. To achieve these, mandatory courses and required training hours are defined by job function. Programs for accelerated, targeted, and immersive employee learning and development are deployed by the PSBank Business Campus (PBC).

EXHIBIT 27. EMPLOYEE TRAINING HOURS. FY 2024

EMPLOYEE GROUP	TOTAL	AVERAGE
Gender		
Female	69,589	38
Male	33,641	32
Job Level		
Rank and File	72,970	43
Junior Management	14,587	25
Middle Management	13,634	25
Senior Management	2,039	35

Below are the milestones of PBC for employee training and development.

- 302 new employees attended in-person New Employees Orientation (NEO).
- 30 middle managers and senior officers completed the Management Development Program (MDP): A Post Graduate Certificate in Leadership and Management. This executive class formed part of the Continuing Advanced Management Program (CAMP) designed for high potential and high performing employees.
- 89 graduates from PBC programs.
 - 14 management trainees completed the Ladderized Programs.
 - 18 participants completed the Information Technology Officership Program.
 - 24 participants completed the SPEED AX-L Program and placed in Branch Service and Control Officer (BSCO) positions.
 - 33 Branch Heads graduated from Redefining Institutional Sales Efficiency (RISE) Program.
- 66 newly certified CSA-NACs from the three (3) cycles of NAC Step-Up Program.
- 250 participants from branches completed the Proficiency Review In Mortgage Evaluation (PRIME) Program.
- 98 Branch Heads participated in the SME Program for Account and Resource Knowledge Learning Enhancement (SPARKLE) Program.
- 15 management trainees placed in head office and branches through the Generation-Sales (GEN-S) Program.
- 645 branch banking personnel attended the Branch Operations Upgrade Training (BOUT) to reinforce roles and responsibilities on internal controls, risk management, customer experience, employee engagement and discipline, and operational efficiency.



Labor Management Relations

GRI 402-1 ,GRI 407-1

The Bank continues to ensure that it provides a competitive compensation and benefit package for its employees based on remuneration policies approved by the Board. In addition, it recognizes employees that meet and exceed performance standards. This is determined by measuring output versus committed plans which include activities for the Bank's sustainable operations, products and services.

As a unionized organization, the Bank maintains an agreement with the PSBank Employee's Union (PSBEU) with the intent and purpose of promoting and improving the economic and social relationship between the Bank and the Union through the Collective Bargaining Agreement (CBA) held every three years.

The Bank had a historic CBA negotiation in 2024 for 2025-2027 cycle as management and the PSBEU reached an agreement after only eight (8) sessions – the shortest in the Bank's history. Another first was the designation of the first female chairperson of the management panel. The CBA 2025-2027 is also considered among the best ones in the industry in terms of economic and non-economic benefits for the Bank's rank and file employees.

The CBA covers 59% of the Bank's workforce covering all rank and file employees including probationary employees. The CBA establishes a better understanding relative to the rates of pay, hours of work and other terms and conditions of employment, providing expeditious means for the amicable adjustment of all industrial disputes, and to otherwise mutually confirm industrial peace and harmony.



It also highlights the commitment of both management and union to help combat climate change. Section 21, Article XIV of the CBA Handbook stipulates this: *“The Bank and the UNION jointly agree to actively discuss the challenges of Global Climate Change in the regular dialogues set forth by both parties. Climate Change awareness shall be discussed during the Labor-Management Council and/or disseminated through Bank media channels.”*

Section 17 of the CBA Handbook also states that, *“The Bank and the UNION agree to cooperate in promoting and developing measures to eliminate gender-based violence, harassment, and discrimination in the workplace. The Bank and UNION shall ensure that the laws, rules, and regulation protecting and recognizing the rights of the employee based on gender, including but not limited to, Republic Act No. 9262 or the the Anti-Violence Against Women and their Children Act of 2004, and Republic Act No. 6725, or the ‘Act Strengthening the Prohibition on Discrimination Against Women with Respect to Terms and Conditions of Employment’, are observed at all times”*



The Bank and PSBEU continue to align regularly through the Labor Management Council (LMC) appropriately called Talks on Employee Affairs and other Matters (TEAM). The Council is composed of three representatives each from management and union and meets once a month to discuss any or all matters affecting the employees of the Bank. Employee discipline management under People and Labor Relations Department registered an average turnaround time for employee case handling of 7.93 days in 2024. There were no legal actions nor employee grievances involving forced or child labour, gender-based violence, harassment and discrimination during the year.

EXHIBIT 28. COLLECTIVE BARGAINING AGREEMENT. FY 2024

DISCLOSURE	COUNT
Collective Bargaining Agreement Coverage (No. of employees covered members and non-members)	1,689
Union Members (No. of employees)	1,689
Total Population of Eligible Rank-and-File (No. of employees)	1,689

OCCUPATIONAL SAFETY AND HEALTH

GRI 403

Workplace Conditions and Labor Standards

PSBank commits to provide healthy and safe working environment for all its employees, contractors, customers and visitors. The Bank’s occupational health and safety policies comply with the requirements of the Department of Labor and Employment (DOLE). These serve as a key reference in managing and controlling the risks and adverse impacts of identified health and safety hazards on the wellness of its covered persons.

The Bank ensures it has adequate pool of first aiders and safety officers. In 2024, there were 63 certified First Aiders and 19 certified Safety Officers.

The Bank closely monitors its recordable injuries to continuously improve its health and safety practices and reduce risk incidents. In 2024, there was one incident of work-related injury concerning a field verification employee. This employee was promptly provided medical attention and care.

EXHIBIT 29. WORKPLACE SAFETY. FY 2024

HEALTH AND SAFETY METRICS	QUANTITY
Safe Man-Hours	5,686,560
No. of work-related injuries	1
No. of work-related fatalities	0
No. of work-related ill-health	0
No. of safety drills	4



The Bank conducts business continuity plan refresher trainings annually. Safety drills are carried out to reinforce the learning. In all the drills, the employees are expected to bring their grab bags which contain the minimum emergency supplies such as water, bandage, flashlight, biscuit, among others. In 2024, there were 4 safety drills conducted in the head office. All Branches separately held their drills from August 16 to September 11, 2024.

EXHIBIT 30. SAFETY DRILLS CONDUCTED. FY 2024

DRILLS	EXECUTION DATE
Earthquake Drill - HO (DCH)	March 25, 2024
Earthquake Drill with Evacuation - Head Office	July 30, 2024
Earthquake Drill with Evacuation - Branches	August 16, 2024 – September 11, 2024
Fire Drill with Evacuation	November 8, 2024

Employee Well-being and Engagement

GRI 403-6

The over-all employee well-being and workforce wellness remain in the Bank’s top priorities. In 2024, the Bank organized campaigns for wellness based on the results of the Annual Physical Exam of its employees. These are categorized into four programs – Physical Wellness, Mental and Emotional Wellness, Social Wellness and Spiritual Wellness.

Physical Wellness

Aside from the Annual Physical Examination (APE) and the activation of additional sports clubs, the Bank conducted initiatives aimed at keeping PSBankers physically fit and active. These include the following:

- 43 Zumba sessions
- *Healthy Eating, Healthy You* branch visits by the health and safety team
- Weight loss programs of various units
- Nutritional awareness facilitated by nutritionists and dietitians

Access to medical assistance and services are always readily available to the Bank’s employees.

- Health insurance plan renewed annually for its employees and enrolled dependents
- Mobile APE availment

Mental and Emotional Wellness

PSBank ensures that the mental and emotional wellness of PSBankers are given attention and action. Among the key initiatives on this front included the following:

- Annual Mental and Well-being (AMEW) Check-up using different psychological tests which aim to gain insights on employees’ mental state, and seek help to address any concern the soonest.
- #SelfcareSunday and Mental Health Tuesday contents via Workplace to reinforce Mental and Emotional Wellness.
- Psychological Consultations with resident psychologists.

Social Wellness

The Bank’s Employee Clubs and its engagement activities serve to support the social wellness of PSBankers.



Spiritual Wellness

The Bank respects and considers the diversity of religions and spiritual beliefs among its employees by providing access to resources and activities that meet their spiritual needs.

Employee Engagement

The Bank is committed to a better employee engagement and meaningful experience. To know, understand and take action on the voice of the employees, the Bank deploys the internally-developed annual survey called the Workforce Engagement Scale or WES-60. To measure employee loyalty and advocacy, the Bank uses the universal employee-Net Promoter Score or e-NPS.

Results for 2024 are provided below:

For WES-60 – All dimensions of workforce engagement were rated very high as follows:

- Company Policies and Goals (3.72/4.00)
- Dedication (3.70/4.00)
- Working Relationships (3.64/4.00)
- Job Performance (3.63/4.00)
- Company Support (3.57/4.00)

For e-NPS, the Bank registered +82, with only 49 detractors bankwide.

Through Workplace and Work Chat from Meta, the Bank’s main platform for Employee Communication, employees conversed and engaged with each other throughout the year. In 2024, monthly active users rate stood at 99.67%.

CUSTOMER MANAGEMENT

The Bank’s vision and mission are centered on enhancing the experience of its stakeholders. By leveraging cutting-edge technology and robust customer management processes, the Bank consistently delivers top-quality service.

Customer Touchpoints

To ensure ease of access, clients can raise inquiries, requests, or complaints through their preferred touchpoints. These include 24/7 CX support (accessible via chat on the Bank’s digital platforms or through the hotline), two-way SMS, email, official social media accounts, or in-person visits to any branch or the head office.

EXHIBIT 31. UTILIZATION PER CHANNEL. FY 2023 VS FY 2024

CHANNEL	2023	2024
CX Hotline	224,243	199,290
Email	206,226	224,004
CX Email	115,268	125,156
Online Banking	60,285	73,891
PSB Collections	30,673	24,957
Walk-in	10,307	12,013
Live Chat	81,168	87,439
Social Media	133,439	134,012
2-way SMS	61,922	613,954
TOTALS	717,305	1,494,716



Customer concerns are addressed and resolved through the Bank’s 4-Step Customer Issues Process – Acknowledgment, Disposition, Investigation and Tracking, and Closing – adhering to established turnaround time (TAT) standards and in compliance with BSP regulations and internal policies. The Customer Experience Operations Division, together with the Bank’s CX Council, actively manages, monitors, and escalates issues and complaints from receipt to full resolution.





GOVERNANCE IMPACT

BOARD OVERSIGHT

GRI 405-1

The Board is composed of leaders with a range of diverse skills, backgrounds, experience, and viewpoints. Individually and as a whole, the directors hold the necessary qualifications to provide effective oversight and challenge, as well as insightful strategic guidance.

EXHIBIT 33. BOARD DIVERSITY. FY 2024

GENDER	COUNT
Female	1
Male	7



DATA PRIVACY AND INFORMATION SECURITY

GRI 418-1

The Bank takes data privacy and information security very seriously. It protects its subjects’ (i.e. employees, clients and customers, suppliers, and other stakeholders) data through multiple layers of security in its infrastructure and policies, which are closely intertwined with business processes, such as but not limited to the following:

- Bank applications that collect data from clients use strong network encryption and go through a rigorous and regular application security testing by both internal and 3rd-party security testing teams.
- Critical databases in the Bank are actively monitored for suspicious activities.
- Additional approvals from the Data Protection Officer (DPO) and the Chief Information Security Officer (CISO) are required before any client data can be exported, extracted, processed or shared with other groups in the Bank or with third party entities.
- Secure disposal of hard drives is in place such that digital data are securely wiped out and the drives physically destroyed beyond recovery.
- Security controls are in place for remote VPN and Bring Your Own Device (BYOD) users where the Bank utilizes Mobile Device Management (MDM) technologies to separate company data from personal data in the personal devices of employees.



These are aligned with the Bank’s processes that adhere to the principles of transparency, legitimate purpose, proportionality, quality and security in compliance with Republic Act No. 10173 otherwise known as “The Data Privacy Act of 2012”, its Implementing Rules and Regulations and the related issuances of the National Privacy Commission (NPC). Aside from the Bank's Information Security and Cyber Security policies and procedures, its Board-approved Data Privacy Policy Manual encapsulates the privacy and data protection protocols/security measures that need to be observed and carried out within the Bank for specific circumstances (i.e. from collection to destruction) directed towards the fulfilment and realization of the rights of its data subjects and protection of personal data against natural dangers such as accidental loss or destruction, and human dangers such as unlawful access, fraudulent misuse, unlawful destruction, alteration and contamination.

The Bank’s Data Protection Officer (DPO) is responsible for ensuring compliance with the guidelines and directives of the country’s strict data privacy laws, and is also tasked with creating a culture of heightened awareness in data privacy within the Bank through employee trainings and awareness campaigns. The Information Security Division (ISD) supports this objective with the mandatory information security training for the Bank employees, security awareness campaign for its partners and third party service providers and the “Be Aware!” fraud awareness program for its customers. Security awareness modules are likewise included in the Bank’s ladderized program curricula. The learning collaterals are released every month through the Bank’s internal Workplace platform. Phishing email simulations are conducted throughout the year to ensure that all employees and business partners remain vigilant and adhere to the Bank’s security processes for a more secured banking.

EXHIBIT 34. DATA SECURITY AND PRIVACY BREACHES FY 2024

DISCLOSURES	2023	2024
Total Individual Customer Data Maintained	862,433	857, 964
Total Count of Data Security Breaches	0	0
Total Count of Data Privacy Breaches	0	0
Citation of non-compliance concerning product and service information and marketing communications	0	0

In 2024, there were no security breaches in the Bank’s systems and there was no incident of data privacy breach required to be reported to the NPC.

For more information on PSBank’s Data Privacy Policy, you may refer to: <https://www.psbank.com.ph/footer/privacy-policy>.



SYSTEMIC RISK MANAGEMENT

PSBank, in coordination with parent company, undertakes ICAAP exercise which helps in the proactive determination of whether the Bank’s qualifying capital can support its mid-term risk asset growth based on various economic and regulatory factors, both domestic and international. Financial projections are generated based on the company’s outlook over a 5-year period, under “normal” economic growth indicators. This base case scenario is then subjected to stress indicators, which include assumptions to stress the Bank’s Capital Adequacy Ratio (CAR). The Bank uses various scenarios or simulations to stress the base case with minimal or no management intervention to obtain a “black swan” environment, if possible. This includes impact assessment of environment-related events such as earthquake, flood or volcanic eruption. The purpose of these stress scenarios is to test the Bank’s capital strength, resilience and recoverability against adverse conditions.

In the past 3 years, the stress scenarios used were as follows:

- COVID-19 Pandemic / Prolonged Pandemic
- Global Economic Recession
- Auto Industry Stress from Domestic and/or International Issues
- The Big One: Major Earthquake in the West Valley Fault Line
- Aggressive PH Government Push on Environmental, Social and Governance Initiatives
- Geopolitical Crisis / Proxy Wars

BUSINESS ETHICS

GRI 205

The Bank subscribes to and adopts the State’s policy to protect the: (1) integrity and confidentiality of accounts and to ensure that it shall not be used as a vehicle to legitimize the proceeds of unlawful activity, facilitate/finance terrorism, or proliferate/finance the proliferation of weapons of mass destruction; and (2) life, liberty and property from acts of terrorism by condemning such acts and those who support and finance it as a crime against the Filipino people, against humanity and against the law of nations. It ensures that it executes all transactions with its customers in accordance with the Anti-Money Laundering (AML) / Counter Financing of Terrorism (CFT) / Counter Proliferation Financing (CPF) policy guidelines, procedures, tools, and controls set forth in its regularly updated Money Laundering and Terrorism Financing Prevention Program (MTPP). Its MTPP, as posted in its intranet site for the guidance of all implementing personnel, primarily revolves around the basic AML/CFT/CPF controls required under existing AML/CFT/CPF laws, rules and regulations, namely:

1. Know Your Customer (KYC)/Customer Due Diligence (CDD) and Know Your Employee (KYE);
2. Ongoing monitoring of customers and their transactions;
3. Covered and Suspicious Transactions Reporting;
4. Records keeping and retention;
5. Employee training and continuing education; and
6. Compliance with Freeze Orders, KYC requests, bank inquiries, Targeted Financial Sanctions and other AML/CFT/CPF rules and regulations of the Anti-Money Laundering Council (AMLC) and the BSP.

Compliance with the requirements of the MTPP is continuously monitored by the Board-designated AML Compliance Officer (AMLCO) under the Compliance Office as the lead implementer.

There were no monetary losses as a result of legal proceedings associated with money laundering in 2024.



The Bank values all information received from whistle blowers and/or anonymous sources. It encourages all stakeholders to communicate, confidentially and without the risk of reprisal, legitimate concerns about illegal, unethical or questionable practices and transactions entered by any of its employees and officers. Its whistleblowing policies require its employees to report any impropriety or malpractice committed by co-employee(s) or third party(ies) to their Group Heads or to the Customer Experience and Human Resources Group Head, the Fraud Management Group Head or the Chief Audit Executive/ Internal Audit Group Head for evaluation if it would warrant an investigation. Under the Bank's Code of Conduct, concealment or non-reporting is considered as an impropriety or malpractice in itself. The whistleblower is protected from any form of harassment as a result of any disclosure which was made in good faith believing the disclosure to be true and was not made maliciously or for personal gain. The policies consider any attempt to determine the whistleblower's identity as a breach of confidentiality which is subject to disciplinary sanctions.

STAKEHOLDER MANAGEMENT

The Bank is dedicated to leveraging its resources and relationships to encourage stakeholders to embrace and integrate sustainable business practices. These stakeholders are categorized based on their interests and needs.

For its customers, PSBank delivers products and services known for being simple and *maaasahan* (reliable). With a nationwide network of 250 branches and 527 ATMs, the Bank ensures accessibility through its 24/7 digital banking channels, including PSBank Mobile and PSBank Online. Customers can also reach PSBank via its Customer Experience Hotline, PSBank LiveChat, ISSA Chatbot, official social media accounts, and two-way SMS. PSBank is also committed to financial literacy through its award-winning campaign, Be Aware! It upholds stringent information security and data protection policies in compliance with regulatory and industry standards on data privacy, cybersecurity, and financial consumer protection.

The Bank considers the well-being, diversity, and growth of its employees among its top priorities. It fosters a safe and collaborative work environment that promotes work-life balance and professional development. Employees benefit from comprehensive compensation packages, talent management programs, and career advancement opportunities. The Bank's Personnel Committee (PERCOM) evaluates performance, oversees career progression, addresses employee-related cases, and reviews personnel policies, including the Code of Conduct. Meanwhile, its Retirement Committee manages the Gratuity and Retirement Benefit Plan.

For its service providers, PSBank follows Board-approved policies governing third-party engagements, including accreditation, outsourcing, performance monitoring, and contract renewal. A materiality assessment framework is applied to outsourced services, evaluating factors such as importance, impact, cost efficiency, service provider exposure, compliance controls, and data protection. The outsourcing scorecard also incorporates environmental and social risk assessment criteria.



MARKETING AND LABELLING

GRI 417

The Bank’s Financial Consumer Protection (FCP) policies provide due guidance and direction for implementing the Bank’s consumer protection standards and strategies. One way these are adopted is through sound and compliant marketing and labelling practices and materials resulting from defined layers of review and approval from relevant product managers and business units. Third party service providers for marketing undergo accreditation process and are required to comply with the Bank’s standards on consumer protection. In 2024, the Bank did not receive any citation of non-compliance concerning product and service information and marketing communications.

● ● ●

LIST OF ABBREVIATIONS

AML	Anti-Money Laundering
AMLC	Anti-Money Laundering Council
BCP	Business Continuity Plan
BSP	Bangko Sentral ng Pilipinas
DOE	Department of Energy
DOLE	Department of Labor and Employment
DPO	Data Protection Officer
E&S	Environmental and Social Risk
EESG	Economic, Environmental, Social and Governance
ESG	Environmental, Social, Governance
ESRM	Environmental and Social Risk Management
ESRMS	Environmental and Social Risk Management System
GRI	Global Reporting Initiative
ISG	Information Security Group
MTPP	Money Laundering and Terrorism Financing Prevention Program
NPC	National Privacy Commission
PSB	Philippine Savings Bank
PSBEU	Philippine Savings Bank Employee Union
RA	Republic Act
ROC	Risk Oversight Committee
SDG	Sustainable Development Goals
SEC	Security Exchange Commission
SFF	Sustainable Finance Framework
SME	small-and-medium enterprise

INTRODUCTION

SUSTAINABILITY AT PSBANK

ECONOMIC IMPACT

ENVIRONMENTAL IMPACT

SOCIAL IMPACT

GOVERNANCE IMPACT

SUSTAINABILITY DATA MAPPING

PER SEC AND GRI REQUIREMENTS

Below is a mapping of the Bank’s Sustainability discussions against the SEC and GRI requirements.

SEC Standard Disclosure	GRI Content Index	PSBank SR Section Name
General Disclosures		
Company Details	GRI 2-1: Organizational Details	About PSBank
Materiality Process	GRI 3-1: Process to Determine Material Topics	Materiality Assessment and Management Approach
Economic		
Economic Performance	GRI 201-1: Direct Economic Value Generated and Distributed GRI 413-1: Operations with local community engagement, impact assessments, and development programs	Economic Impact – Economic Performance / Financial Inclusion and Literacy / Responsible Investment
Procurement Practices	GRI 204-1: Proportion of Spending on Local Suppliers	Economic Impact – Procurement Practices
Anti-corruption	GRI 205-2: Communication and Training about anti-corruption policies and procedures GRI 2-25: Processes to remediate negative impacts	Economic Impact – Anti-Corruption

SEC Standard Disclosure	GRI Content Index	PSBank SR Section Name
Environment		
Resource Management	GRI 302-1: Energy Consumption within the Organization	Environmental Impact – Resource Management – Electricity Consumption / Fuel Consumption
	GRI 303-1: Interactions with water as a shared resource GRI 303-3: Water Withdrawal GRI 303-5: Water Consumption	Environmental Impact – Resource Management – Water Consumption
	GRI 301-1: Materials used by weight or volume GRI 301-2: Recycled input materials used	Environmental Impact – Resource Management – Materials Used
	GRI 101-5: Locations with biodiversity impacts	Environmental Impact – Resource Management - Ecosystems and Biodiversity
Environmental Impact Management	GRI 305-1: Direct (Scope 1) GHG Emissions GRI 305-2: Energy indirect (Scope 2) GHG emissions GRI 305-3: Other indirect (Scope 3) GHG emissions GRI 305-4: GHG emissions intensity GRI 305-5: Reduction of GHG emissions GRI 305-6: Emissions of ozone-depleting substances (ODS) GRI 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Impact – Environmental Impact Management- Greenhouse Gas (GHG) / Emissions per Type of Gas (GHG) / Emissions per Type of Gas / Indirect Emissions (Scope 3) /GHG Emission Intensity / Renewable Energy and Efficiency Measures / Air Pollutants
	GRI 306-3: Waste Generated GRI 306-4: Waste diverted from disposal GRI 306-5: Waste directed to disposal GRI 303-4: Water discharge	Environmental Impact – Environmental Impact Management – Solid Waste / Hazardous Waste / Effluents



SUSTAINABILITY DATA MAPPING

PER SEC AND GRI REQUIREMENTS

Below is a mapping of the Bank’s Sustainability discussions against the SEC and GRI requirements.

SEC Standard Disclosure	GRI Content Index	PSBank SR Section Name
Environment		
Climate-related Risks and Opportunities	GRI 201-2: Financial implications and other risks and opportunities due to climate change	Environmental Impact – Environmental Impact Management – Management of Environmental Risks and Opportunities
Environmental Compliance	GRI 2-27: Compliance with laws and Regulations	Environmental Impact – Environmental Compliance
Social		
Employee Management	GRI 2-7: Employees	Social Impact – Workforce Diversity
	GRI 405-1: Diversity of governance bodies and employees	
	GRI 401-1: New employee hires and employee turnover	Social Impact – New employee hires and employee turnover
	GRI 201-3: Defined benefit plan obligations and other retirement plans GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part time employees	Social Impact – Employee Benefits
	GRI 404-1: Average hours of training per year per employee	Social Impact – Employee Training and Development
	GRI 402-1: Minimum notice periods regarding operational changes GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social Impact – Labor Management Relations

SEC Standard Disclosure	GRI Content Index	PSBank SR Section Name
Social		
Supply Chain Management	GRI 204-1: Proportion of Spending on Local Suppliers	Economic Impact – Procurement Practices
Relationship with Community		Environmental Impact – Resource Management - Ecosystems and Biodiversity
Customer Management	GRI 403: Occupational health and safety	Social Impact – Occupational Safety And Health
	GRI 417: Marketing and Labelling	Governance Impact – Marketing and Labelling
	GRI 418-1: Customer Privacy	Social Impact – Occupational Safety And Health / Data Privacy and Information Security
	GRI 418-1: Customer Privacy	Social Impact – Data Privacy and Information Security
UN SUSTAINABLE DEVELOPMENT GOALS		
Product or Service Contribution to UN SDGs		Economic Impact - Responsible Investment / Innovation and Technology; Environmental Impact - Ecosystems and Biodiversity / Electricity Consumption / Fuel Consumption / Water Use / Waste Management

PSBANK

THANK YOU!

2024 SUSTAINABILITY REPORT

2024