



Environmental, Social and  
Governance Report **2025**







# Acknowledgement of Country

Pepper Money acknowledges Australia’s First Nations people as the Traditional Custodians of the land and their continuing connection to country, sea and water. We pay respect to their Elders past and present.

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# Introduction

Pepper Money has been built on a mission to “**help people succeed**”. As we deliver on our mission and continue to build on our strategy, we seek to create sustainable value for our customers, employees, the communities in which we work, and for our shareholders.

Pepper Money Environmental, Social and Governance (“ESG”) Report outlines how Pepper Money manages its ESG commitments, including the risks and opportunities across ESG factors identified as material to the business.

Through Pepper Money’s Board Environment, Social and Governance Committee (“BESG Co”), the Board has oversight and accountability to ensure good governance of the Company’s sustainability initiatives. BESG Co provides end-to-end oversight for Pepper Money’s ESG strategy, objectives, target setting, monitoring and reporting. This is done in line with existing and emerging environmental, social and governance considerations including mandatory climate-related financial and other reporting requirements.

BESG Co works in conjunction with the Board Audit and Risk Committee (“BARC”) and the Board Remuneration and Nomination Committee (“RemCo”) on relevant ESG matters.

This report should be read in conjunction with Pepper Money’s Remuneration Report and Sustainability Report contained within the **Annual Report 2025** and the **Pepper Money Corporate Governance Statement 2025**. These reports can be found at: [www.peppermoney.com.au/about/](http://www.peppermoney.com.au/about/).

## Environment

CY2025 saw the introduction of the Australian Sustainability Reporting Standard – AASB S2 *Climate-related Disclosures*. Pepper Money is classified as a Group 1 Reporting Entity under AASB S2. We have therefore commenced mandatory climate-related financial reporting from January 1, 2025, as part of a new regulatory framework aimed at enhancing transparency in sustainability practices. Pepper Money’s **Sustainability Report** is published in the **Annual Report 2025**.

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## Important Notice and Forward-Looking Statement

### Forward-looking statements

This report may contain forward-looking statements or opinions including statements regarding the intent, belief or current expectations with respect to the Company’s business operations, market conditions, results of operations and financial condition, capital management, sustainability objectives or targets, specific provisions and risk management practices. Those matters are subject to risks and uncertainties that could cause the actual results and financial position of the Company to differ materially from the information presented herein. When used in the report, the words ‘forecast’, ‘estimate’, ‘goal’, ‘target’, ‘indicator’, ‘plan’, ‘pathway’, ‘ambition’, ‘modelling’, ‘project’, ‘intend’, ‘anticipate’, ‘believe’, ‘expect’, ‘may’, ‘probability’, ‘risk’, ‘will’, ‘seek’, ‘would’, ‘could’, ‘should’ and similar expressions, as they relate to the Company and its Management, are intended to identify forward-looking statements or opinions. There can be no assurance that actual outcomes will not differ materially from any forward-looking statements or opinions contained herein. Also refer to Section 7 of the Operational and Financial Review – ‘**Risk Management Framework, Material Risks and Business Uncertainties**’ in the Annual Report 2025, in relation to risks that may affect forward-looking statements, and the ‘**Key Judgements and Estimates**’ identified in various places in the Annual Report 2025.

These forward-looking statements are usually predictive in character. They may be affected by inaccurate assumptions, unknown risks and uncertainties or may differ materially from results ultimately achieved. As such, these statements should not be relied upon when making investment decisions. These statements only speak as at the date of publication and the Company assumes no obligation to update such information.

### Climate-related information

This report also contains climate-related statements. Those statements should be read with the important notices in relation to the uncertainties, challenges and risks associated with climate-related information in our Sustainability Report (AASB S2), on pages 92 to 122 of the Annual Report 2025.

# Our Approach to ESG

Pepper Money is committed to creating a positive impact for our customers, partners, shareholders, employees and the communities we serve. The integration of ESG principles into our strategy, risk management and business practices continues to be a key focus for the Company.

Our approach to ESG reflects our mission to “**help people succeed**” as we prioritise the needs of all key stakeholder groups, to seek positive outcomes. As a leading non-bank lender in Australia and New Zealand, we provide a diverse range of customer solutions, including residential home loans, SMSF mortgages, asset finance, commercial real estate loans, novated leases and loan servicing.

ESG is embedded in our strategy and purpose. Strong corporate governance and responsible lending are essential to managing ESG risks and opportunities while achieving our strategic goals. Delivering on these commitments requires ongoing development of our core capabilities, supported by our dedication to delivering the best outcomes for every stakeholder. Our mission, values, and expertise work together to reinforce our strong position in the industry.

## ESG Governance Framework

Pepper Money has always recognised the need to embed strong governance throughout the business, and to ensure we lend responsibly. These principles are fundamental to the Company’s ability to achieve our strategy and deliver on our mission.

Our approach to governance is underpinned by the **ASX Corporate Governance Principles and Recommendations**, which promote value creation for our shareholders and support our people, customers and communities in our mission to “**help people succeed**”.

Effective 1 January 2025, AASB S2 *Climate-related Disclosures* became mandatory for entities meeting specific thresholds, such as Pepper Money. This Standard requires reporting across the four pillars identified, namely:

1. Governance;
2. Strategy;
3. Risk management; and
4. Metrics and targets.

Under Governance, Pepper Money is required to disclose how the Board:

- ensures Directors have the necessary climate expertise;
- oversees climate risks and opportunities; and
- integrates these considerations into internal controls, risk frameworks, and monitoring processes.

These obligations aim to embed climate governance at the highest level of decision-making and operational management.

Pepper Money has approached climate reporting as a strategic opportunity to demonstrate the value and the resilience of the business and is committed to being a responsible and sustainable business that supports our people, customers and communities.

Since 2021, Pepper Money has actively sought to strengthen its ESG governance and on an ongoing basis seeks opportunities to integrate ESG considerations into our strategy, risk management, and operations.

## Committees

### ESG Working Group

Established in 2022, the **ESG Working Group** comprises senior leaders from across the business and is sponsored by the Chief Financial Officer (“CFO”). Since its establishment, the ESG Working Group has driven key ESG areas such as the establishment of Management and Board level ESG Committees, developed the annual ESG Report and the Sustainability Report 2025, identified, monitored and measured ESG related metrics, and remained actively engaged in regulatory updates.

The ESG Working Group has focused on identifying and assessing climate-related risks and opportunities by leveraging Pepper Money’s Risk Management Framework (“RMF”) (refer to Section 7 of the Operational and Financial Review in the Annual Report 2025), and enhancing ESG reporting with metrics and targets.

## Management ESG Committee

The Management ESG Committee (“MESG Co”), chaired by Pepper Money’s CFO, meets at least quarterly and advises the Board ESG Committee on ESG performance, compliance, social and environmental impacts, sustainable products, major initiatives, and stakeholder communications. MESG Co is comprised of Executives from across the organisation, ensuring a broad perspective and alignment with business priorities.

## Board ESG Committee

Established in 2024, the Board ESG Committee (“BESG Co”) assists Pepper Money’s Board in fulfilling their obligations and responsibilities in respect to ESG, by providing oversight of Pepper Money’s initiatives to advance on existing and emerging environmental, social, and governance objectives. BESG Co has the responsibility for oversight, review and endorsement of Pepper Money’s ESG approach, objectives and performance, including ESG targets.

An overview of Pepper Money’s current approach to ESG governance is detailed in the diagram below.






### Pepper Money’s ESG Governance Framework:








## ESG Roles and Responsibilities

At Pepper Money, we collaborate to achieve our ESG strategy and objectives. We recognise that different functions of the business play an integral role in meeting ESG requirements. The following **Table of ESG Roles and Responsibilities** provides a snapshot of the roles and responsibilities of each business function involved in furthering Pepper Money’s ESG strategy and initiatives.

Table of roles and responsibilities:

	 <b>Governance</b>	 <b>Programs</b>	 <b>People &amp; Process</b>	 <b>Technology &amp; Data</b>	 <b>Change Management</b>
<b>Board</b>	<ul style="list-style-type: none"> <li>Oversight, review and approval of the ESG vision and strategy, objectives and performance, including ESG targets.</li> </ul>	<ul style="list-style-type: none"> <li>Prioritise ESG program initiatives as key value drivers.</li> </ul>	<ul style="list-style-type: none"> <li>Set remuneration targets linked to ESG initiatives and considerations.</li> </ul>	<ul style="list-style-type: none"> <li>Awareness of investments in ESG technology.</li> <li>Oversight of data governance.</li> </ul>	<ul style="list-style-type: none"> <li>ESG tone from the top.</li> </ul>
<b>Executives</b>	<ul style="list-style-type: none"> <li>Set the overall ESG vision and strategic priorities.</li> <li>Ensure accountability and oversight over the ESG Framework.</li> </ul>	<ul style="list-style-type: none"> <li>Approve key ESG programs and initiatives.</li> <li>Allocate required resourcing for ESG activities across functions.</li> </ul>	<ul style="list-style-type: none"> <li>Lead by example in embedding ESG values.</li> <li>Promote a culture of ESG.</li> </ul>	<ul style="list-style-type: none"> <li>Approve investments in ESG technology and data systems.</li> <li>Ensure robust data governance for ESG reporting.</li> </ul>	<ul style="list-style-type: none"> <li>Drive organisational commitment to ESG.</li> <li>Act as champions for transformational change across the business.</li> </ul>
<b>ESG Working Group (Organisation cross-functional team)</b>	<ul style="list-style-type: none"> <li>Set ESG strategy and governance standards.</li> <li>Monitor progress across functions.</li> </ul>	<ul style="list-style-type: none"> <li>Design and coordinate overarching ESG programs.</li> <li>Develop metrics for ESG performance tracking.</li> </ul>	<ul style="list-style-type: none"> <li>Establish ESG training and communications for employees.</li> <li>Guide each function in adopting ESG practices.</li> <li>Facilitate cross-functional ESG initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Oversee ESG data analytics and tracking systems.</li> <li>Ensure data accuracy and transparency across ESG reporting.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor change impact and adaptation across teams.</li> <li>Adjust strategies based on feedback.</li> </ul>
<b>Mortgages / Asset Finance</b>	<ul style="list-style-type: none"> <li>Oversee ESG guidelines for lending policies and decision-making.</li> <li>Implement ESG risk assessments.</li> </ul>	<ul style="list-style-type: none"> <li>Develop ESG lending programs.</li> <li>Assess portfolio alignment with ESG goals.</li> </ul>	<ul style="list-style-type: none"> <li>Train staff on ESG principles for lending.</li> <li>Implement ESG screening in lending processes.</li> </ul>	<ul style="list-style-type: none"> <li>Use available ESG risk assessment tools for portfolio management and credit assessment.</li> <li>Collect and analyse data on loan impacts to support ESG metrics.</li> </ul>	<ul style="list-style-type: none"> <li>Adapt lending policies to align with ESG strategy.</li> </ul>
<b>Treasury</b>	<ul style="list-style-type: none"> <li>Oversee ESG-related funding programs.</li> </ul>	<ul style="list-style-type: none"> <li>Explore ESG funding opportunities and initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Increase awareness of Pepper Money's ESG initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Provide any specific data requirements for funders.</li> </ul>	<ul style="list-style-type: none"> <li>Adapt funding and investment strategy / policies.</li> </ul>

	 <b>Governance</b>	 <b>Programs</b>	 <b>People &amp; Process</b>	 <b>Technology &amp; Data</b>	 <b>Change Management</b>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>Support governance through policies on diversity, equity, and inclusion (DEI), employee well-being, and conduct.</li> <li>Ensure compliance with Workplace Gender Equality Agency (WGEA).</li> <li>Compliance with physical security and Workplace Health and Safety (WHS).</li> </ul>	<ul style="list-style-type: none"> <li>Develop programs for DEI, employee wellness, and social responsibility.</li> <li>Promote a sustainable work culture.</li> <li>Develop committee action plans.</li> <li>Legislative updates and education.</li> </ul>	<ul style="list-style-type: none"> <li>Lead ESG-related training programs.</li> <li>Integrate ESG in recruitment and performance management.</li> <li>Learning through education internal compliance training and learning (Safetrac and Learning@pepper).</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate access to ESG e-learning and training platforms.</li> <li>Track employee engagement and ESG data and insights.</li> </ul>	<ul style="list-style-type: none"> <li>Drive cultural shifts toward sustainability.</li> <li>Facilitate change in employee behaviour, through education and communications.</li> <li>Equip leaders with the skills to take ownership and have a positive impact on ESG.</li> </ul>
<b>Investor Relations</b>	<ul style="list-style-type: none"> <li>Develop and communicate ESG public statements.</li> </ul>				
<b>Marketing &amp; Brand / Corporate Development</b>	<ul style="list-style-type: none"> <li>Develop and communicate ESG brand and public statements.</li> </ul>	<ul style="list-style-type: none"> <li>Lead awareness and external engagement initiatives.</li> <li>Develop campaigns promoting ESG goals.</li> </ul>	<ul style="list-style-type: none"> <li>Support ESG training and communications for employees.</li> <li>Define external communication protocols.</li> </ul>	<ul style="list-style-type: none"> <li>Work with Technology to manage ESG-related data for accurate external reporting.</li> <li>Use data insights to enhance customer engagement strategies.</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate ESG messaging in internal and external channels.</li> <li>Support change initiatives.</li> </ul>
<b>Legal / Risk and Compliance</b>	<ul style="list-style-type: none"> <li>Ensure governance frameworks include ESG compliance.</li> <li>Address ESG risks in corporate governance.</li> </ul>	<ul style="list-style-type: none"> <li>Advise on ESG-related policies, particularly risk and compliance.</li> <li>Monitor and report on ESG risks.</li> </ul>	<ul style="list-style-type: none"> <li>Embed ESG standards in risk management processes.</li> <li>Update risk training to include ESG criteria.</li> </ul>	<ul style="list-style-type: none"> <li>Support compliance tracking systems for ESG reporting.</li> <li>Manage data for ESG-related risk assessments and compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Manage legal and compliance changes.</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>Oversee ESG-related financial disclosures and regulatory compliance.</li> <li>Ensure integration with financial governance frameworks.</li> </ul>	<ul style="list-style-type: none"> <li>Manage ESG budgeting and funding programs.</li> <li>Track financial impacts of ESG initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Implement ESG financial standards and controls.</li> <li>Train finance staff on ESG reporting.</li> </ul>	<ul style="list-style-type: none"> <li>Integrate ESG criteria in financial systems and reporting tools.</li> <li>Use data analytics to assess financial risks and opportunities linked to ESG.</li> </ul>	<ul style="list-style-type: none"> <li>Embed ESG in financial decision-making processes.</li> <li>Adapt funding and investment strategy / policies.</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>Work with relevant business areas to implement necessary system changes, data capture, and reporting mechanisms for ESG obligations.</li> <li>Assist with integrating ESG requirements into existing processes to define, prioritise, build, test, and deliver required outcomes.</li> <li>Support business-as-usual processes, data flows, and systems to ensure reliable and routine ESG reporting.</li> </ul>				
<b>Procurement</b>	<ul style="list-style-type: none"> <li>Establish policies for responsible sourcing and supply chain transparency.</li> <li>Enforce ESG vendor criteria.</li> </ul>	<ul style="list-style-type: none"> <li>Implement vendor screening for ESG compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Train procurement team on ESG supplier standards.</li> <li>Include ESG criteria in vendor assessments.</li> </ul>	<ul style="list-style-type: none"> <li>Use technology to assess suppliers' ESG compliance.</li> <li>Track and analyse ESG-related supplier data for analysis reporting.</li> </ul>	<ul style="list-style-type: none"> <li>Promote supplier engagement in ESG initiatives.</li> </ul>



## Stakeholders

Pepper Money's success pillars – **"Experience, Performance, and Brand"** – connect our vision and mission to our strong values and culture. These pillars are designed to create positive outcomes for all stakeholder groups. We understand the importance of embedding stakeholder engagement into our strategic and operational governance and decision-making processes.

Our ESG strategy is shaped by stakeholder input and guided by the regulatory environment in which we operate. We remain committed to ongoing engagement with stakeholders, ensuring we respond to their evolving needs as we develop ESG initiatives.

We also recognise that stakeholder priorities will shift over time. To stay aligned, Pepper Money periodically engages with stakeholders to reassess the ESG themes most relevant to our business, our people, and the communities we serve.

### Our stakeholders:



1. Cumulative number of customers from 2004 to 31 December 2025.

2. Pepper Money Home Loan survey: sample size 926 (cumulative). Score based on the question "Based on your overall experience of Pepper Money, how likely are you to recommend Pepper Money to a friend if they asked about lenders?"

3. Pepper Money Asset Finance Loan survey: sample size 2,323 (cumulative). Score based on the question "Based on your overall experience of Pepper Money, how likely are you to recommend Pepper Money to a friend if they asked about lenders?"

4. Annual Employee Engagement Survey conducted by VIVA Glint from 15 - 26 September 2025. Represents a combined score for Australia, New Zealand and the Philippines, excluding Stratton Finance.

5. Manager Impact Survey conducted by VIVA Glint from 16 - 27 June 2025. Represents a combined score for Australia, New Zealand and the Philippines, excluding Stratton Finance.



## Material themes

Pepper Money is committed to driving financial inclusion by how loans are designed and delivered to best serve our customers' needs. Our values guide the way we do business and engage with all stakeholders. By integrating ESG into our strategy, mission, and purpose, we acknowledge that effectively managing ESG risks and opportunities is essential to achieving our goals.

In 2021, we conducted a materiality assessment to identify areas where we could make the greatest positive impact. This process involved engaging internal and external stakeholders – including investors, brokers, community partners, and employees – through interviews, surveys, and gap analysis. Combined with insights from regulatory developments, industry trends, and strategic risks, we have prioritised ESG opportunities and risks into five key focus areas where we believe Pepper Money can have the most significant impact:

### Our material themes:



# Environmental

## Sustainability Report

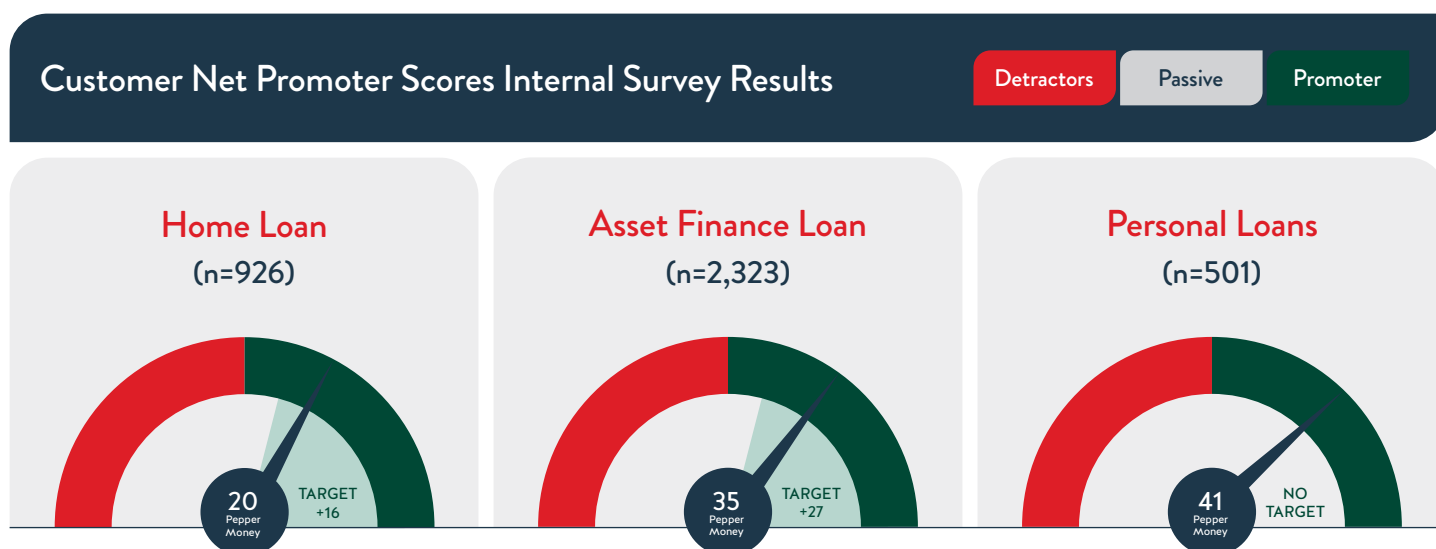
CY2025 saw the introduction of the Australian Sustainability Reporting Standard – AASB S2 *Climate-related Disclosures*. Pepper Money is classified as a Group 1 Reporting Entity under AASB S2. We have therefore commenced mandatory climate-related financial reporting from 1 January 2025, as part of a new regulatory framework aimed at enhancing transparency in sustainability practices. Pepper Money’s Sustainability Report is published in the Annual Report 2025.

# Social

## Customer Wellbeing

At Pepper Money, we provide tailored financial solutions to our customers in line with our mission, and prioritise the financial wellbeing of our customers by providing resources to help them improve their financial literacy. We listen to our customers so we can understand their changing needs and find opportunities for improvement.

## Customer NPS



Our **Home Loan NPS<sup>6</sup>** at **+20** exceeded our internal target of 16. Our mission “**to help people succeed**” is reflected in our NPS for Mortgages which was driven by trust, responsibility and value. The top three leading promoter scores being:

- Pepper Money is a company that **cares** about community.
- I can **trust** Pepper Money to follow up and do what they say.
- My loan with Pepper Money offers me good **value** for money.

**Asset Finance NPS<sup>7</sup>** at **+35**, was 8 points better than our target. Our NPS in Asset Finance reflects the “ease of doing business” with Pepper Money – which reflects how we have built our technology platform to delivery on “speed to yes” and to deliver on our financial advocacy commitment to our customers, and like Mortgages – we are also recognised by our Asset Finance customers for duty of care. The top three leading promoter scores for Asset Finance were:

- Pepper Money is proactive and keeps me up to date with clear information on my loan.
- Pepper Money gives me the information and guidance I need to help me manage my loan ongoing.
- Pepper Money is a company that cares about community.

Our **Personal Loan NPS<sup>8</sup>** was 41 for CY2025.

6. Pepper Money Home Loan survey: sample size 926 (cumulative). Score based on the question “Based on your overall experience of Pepper Money, how likely are you to recommend Pepper Money to a friend if they asked about lenders?”.

7. Pepper Money Asset Finance Loan survey: sample size 2,323 (cumulative). Score based on the question “Based on your overall experience of Pepper Money, how likely are you to recommend Pepper Money to a friend if they asked about lenders?”.

8. Personal Loans – credit is provided by Now Finance Group Pty Ltd, Australian Credit Licence Number 425142 as agent for NF Finco 2 Pty Limited ACN 164 213 03. Personal Loan survey: sample size 501 (cumulative). Score based on the question “Based on your overall experience of Pepper Money, how likely are you to recommend Pepper Money to a friend if they asked about lenders?”.

## The X-Factor

Our customers are the core of what Pepper Money does, and we strive to provide ways to “**help people succeed**”. In CY2024 we introduced our **X-Factor program** – a business-wide effort to define and deliver consistently exceptional experiences to all our customers.

The Customer X-Factor initiatives delivered in **CY2025** included:

- **Digital correspondence solution**  
*Digital self-service of Pepper Money communications via customer portal.*
- **Automated call routing**  
*Real-time lookup of customer’s situation with auto route to the right service queue for faster response and resolution.*
- **Customer ‘request a call back’ feature**  
*Saves time for the customer, removing the need to wait on hold.*
- **Contact centre platform – promise-to-pay functionality**  
*Improved payments reconciliation to include BPAY and direct deposit with SMS notification when promise is broken.*
- **X Factor RBA rate announcement**  
*Timely communications update to customers on Pepper Money’s rate decision leveraging new Microsoft Dynamic email journey, interactive voice response and my.peppermoney.com.au.*
- **Asset Finance weekend settlements**  
*Borrowers can obtain ownership much faster and partners can achieve end of month targets.*
- **AltDoc Xpress: Self-employed digital document workflow**  
*A seamless and secure digital experience for all parties to complete the forms associated with an Alt Doc application (customer, broker and accountant).*
- **Mortgages Xpress Queue**  
*Loans that require a low touch assessment for speedy time to approval.*
- **my.peppermoney for novated lease customers**  
*Self-service access to account information for customers, reducing call centre volume.*

## Customer Support Hub

To support our customers, we have dedicated digital resources and tools aimed at uplifting customer financial literacy and improving online security awareness. Our Financial Support Hub, launched in July 2024, combines contact details for customers who may be facing hardship, access to external support services, FAQs around hardship, as well as more information around areas such as their credit score (Comprehensive Credit Reporting).

More customer engaged with these resources– with views increasing to **59,000 from more than 28,000 users in CY2025** (CY2024: 46,000 views from 26,000 users).

## Security Hub

Over CY2025 Pepper Money’s Security Hub was enhanced with new articles added to support customers in areas such as:

- What to do if you’ve been hacked.
- How to spot a scam.
- How to protect yourself from AI scams.

The Security Hub helps keep customers safe online, featuring the latest security alerts, tips for staying secure, emergency contact details, and links to trusted external cyber security resources.

**Engagement continues to rise with 1,130 views from 828 users in CY2025** (CY2024: 874 views from 684 users).

## Helping Customers Prepare and Building Trust

Across CY2025, Pepper Money demonstrated leadership by announcing the passing on of RBA rate cuts – all changes were communicated same day within 3 hours. Our communications ensured customers had clarity and confidence in a changing rate environment. This rapid response delivered trust and reinforced our commitment to customer-centricity. By prioritising speed, clarity, and trust, we strengthened our reputation as a responsive and reliable partner in times of change.

## Employment Engagement & Inclusion

At Pepper Money, we foster a positive environment to support an engaged and diverse workforce.

### Employee Engagement

The strength of our employee engagement is a testament to the capability of our leaders and the culture we have built, which is underpinned by our **Values**:



Our annual **Employee Engagement**<sup>9</sup> score remains strong at 81, a 6 point increase from the prior year, with a favourability score of 86%, a 12% increase from the prior year. Our high participation rate of 91% demonstrates our employees are confident that their voice will be heard and their feedback and suggestions will lead to meaningful change.

Our **Manager Impact Survey**<sup>10</sup>, now in its second year, delivered an overall score of 90, a 4 point uplift from the prior year, with a favourability score of 92%, a 4% increase from the prior year. These results demonstrate that our employees feel supported and well led.

We complement these surveys with our annual **Technology CSAT**<sup>11</sup> survey which aims to enhance our digital workplace and improve efficiency, and our annual **Diversity, Equity and Inclusion Survey**<sup>12</sup> which provides us with key information on the demographic profile of our workforce, and feedback on the equity and inclusivity of our culture as seen through the eyes of our employees.

Our high engagement has resulted in Pepper Money being recognised as one of Australia's best lending companies to work for, earning a place on Mortgage Professional Australia's (MPA) Top Mortgage Employers list for 2025<sup>13</sup>. This is the second time we have received this honour, recognising our ongoing commitment to creating a workplace where people feel valued, included and supported to grow.

We are committed to continuing to build on these high levels of engagement over CY2026.

9. Annual Employee Engagement Survey conducted by VIVA Glint from 15 - 26 September 2025. Represents a combined score for Australia, New Zealand and the Philippines, excluding Stratton Finance.

10. Manager Impact Survey conducted by VIVA Glint from 16 - 27 June 2025. Represents a combined score for Australia, New Zealand and the Philippines, excluding Stratton Finance.

11. CSAT = Customer Satisfaction Score: 78, up 7 points from prior year. Conducted by VIVA Glint from 03 - 07 November 2025. Represents a combined score for Australia, New Zealand and the Philippines, excluding Stratton Finance.

12. Diversity, Equity and Inclusion Survey conducted by VIVA Glint from 17 - 21 March 2025. Represents a combined score for Australia, New Zealand and the Philippines.

13. MPA: Mortgages Professionals Australia. Best Mortgage Companies to Work for in Australia | Top Mortgage Employers | Mortgage Professional Australia. <https://www.mpamag.com/au/best-in-mortgage/best-mortgage-companies-to-work-for-in-australia-top-mortgage-employers/549776>



## Diversity, Equity and Inclusion

Pepper Money continues to foster an environment that values diversity at all levels through a conscious commitment to understanding, respect, inclusion and continuous learning. We know that a diverse workforce reflects the communities we serve and brings a wealth of perspectives and ideas that drive innovation, high performance and better outcomes for our customers.

Our diversity, equity and inclusion strategy remains anchored by our guiding principles of **Allyship, Celebrate and Educate (“ACE”)**. The Diversity, Equity and Inclusion Committee sets the strategic direction of DE&I, ensuring priorities are aligned to business goals and embedded across the organisation, and leaders are supported to make fair and equitable decisions. Complementing this, our volunteer-led Diversity, Equity and Inclusion team drives initiatives across gender, ethnicity, disability, and LGBTQIA+ inclusion.

This year, we introduced Pepper Culture Day, a celebration of the diverse cultures that shape Pepper Money. Employees shared dishes and stories from their heritage, participated in name pronunciation campaigns, and contributed to a digital recipe book, creating moments that connect us and reinforce our inclusive culture.

These initiatives remind us that culture lives in everyday actions: how we show up, support each other, and celebrate what makes us unique.

As at December 2025:

- Our workforce was **53% female, 47% male**.
- **49%** of Senior Management roles were held by women.

Our commitment to promoting an inclusive workplace is demonstrated through feedback from employees in the CY2025 annual Employee Engagement survey:

- **Inclusion:** Different perspectives are valued at Pepper Money—**79**.
- **Equal Opportunity:** Regardless of background, everyone at Pepper Money has an equal opportunity to succeed—**83**.
- **Fair Treatment:** I am treated fairly at Pepper Money—**84**.

Additionally, feedback from our annual Diversity Survey<sup>14</sup> tells us that **82% of employees** feel that leaders demonstrate a visible commitment to diversity, **84%** feel comfortable being themselves at work, and **86%** feel that we treat each other with respect and dignity.

## Investment in our People

Over CY2025, we continued to invest in our people through leadership development, regular performance check-ins, reward and recognition programs, and upskilling initiatives, all designed to strengthen capability and enhance the employee experience.

Our Leadership Principles remain central to how we lead. Over the year, we integrated these principles into performance frameworks and the Manager Impact Survey, ensuring alignment and consistency across all leaders.

Feedback from the Manager Impact survey tells us that, across all principles, our leaders are leading well:

- **Coach** – overall score of **88**.
- **Real Conversations** – overall score of **87**.
- **Align Teams** – overall score of **87**.
- **Role Model** – overall score of **88**.



14. Diversity, Equity and Inclusion Survey conducted by VIVA Glint from 17 – 28 March 2025. Represents a combined score for Australia, New Zealand and the Philippines.

Initiatives delivered over CY2025 included:

- 165 hours of targeted leadership coaching across the business.
- Accelerated the adoption of AI to enhance productivity, streamline service and improve the employee experience.
- Ethical leadership training delivered to all senior leaders to reinforce integrity and transparency.
- Leadership forums to collaborate on strategic and operational solutions.
- Expanded learning opportunities for personal development and career growth.
- Targeted female development through our partnership with Women in Banking and Finance, and Women Rising.
- Updated onboarding program to support the long-term success for new employees.

## Wellness

Pepper Money is committed to promoting and maintaining a safe and inclusive culture that supports our employees to succeed. A strong indicator that our employees feel safe at work, are the responses to wellness questions in the Annual Employee Engagement Survey, which received a favourability score of **92%**<sup>15</sup>.

In CY2025, we launched **eXhale**, our dedicated wellness program designed to support overall wellbeing, reinforcing our commitment to creating a workplace where people feel supported and empowered.

Our wellbeing initiatives include:

- The Mental Health first aid program, with employees from across the business trained to act as first point of contact for employees experiencing mental health challenges.
- Online tools and resources to support overall wellness.
- Activities for physical and mental health, including yoga and sporting activities.
- Office social groups to foster connection and community.
- Continued promotion of our Employee Assistance Program.

## Community Contribution & Investment

Pepper Money's investments in community initiatives represent an extension of our mission to **"help people succeed"**. The **Pepper Giving Committee** continued to meet in CY2025 to make decisions on community investments in accordance with **Pepper's Giving Framework**.

### Pepper Giving

Employees across Pepper Money are proud to give back to the local community through either financial contributions or volunteering. The Pepper Giving Committee is responsible for empowering employees to donate and allocates resources to our four programs:

**Big G, Medium G, Small G, and Volunteering Opportunities.**

**Big G:** this program sees Pepper Money partner with a charitable organisation to provide support and funding via a large annual donation. In 2025 we began a new partnership with **StreetSmart Australia**<sup>16</sup>.

**Medium G:** employees are given three opportunities throughout the year to vote for a charity to receive a generous donation. Donation recipients in 2025 covered a wide range of charities, including Stewart House, Doggierescue.com, and headspace.

**Small G:** this program empowers employees to apply for a financial contribution to a charity or initiative that is important to them. Through this program, Pepper Money contributed to 27 initiatives across Australia, New Zealand and the Philippines in CY2025.

**Volunteering Opportunities:** we leverage the power of our people to give back to the community through regular volunteering opportunities. In 2025, we gave back in numerous ways including :

- preparing the showroom with Dress for Success NSW and ACT;
- sorting, picking and packing clothes for Thread Together;
- assembling festive season hampers for WAGEC clients;
- making food for people experiencing food insecurity through Our Big Kitchen; and
- providing employees with 467 hours of volunteer leave to allow them to donate their time to a cause that is important to them.

15. Response to the question "I feel safe at work" in the Annual Employee Engagement Survey delivered in September 2025. Represents a combined score for Australia, Philippines and New Zealand, excluding Stratton Finance.

16. StreetSmart Australia is a charity whose mission is to tackle homelessness in Australia at a community level. StreetSmart Australia aims to raise awareness, funds and resources for people experiencing homelessness and empowers community organisations working directly with people experiencing homelessness.

The following financial support was provided to communities and organisations through our CY2025 Pepper Giving program<sup>17</sup>.

## Pepper Giving 2025 Support



### Initiatives supported

### Amount provided

Youth support and education	\$74,000
Housing and welfare	\$73,000
Medical aid and mental health	\$18,000
Community contributions	\$14,000
Volunteering enablement	\$11,000
Domestic violence and child protection	\$11,000
Animal welfare	\$11,000
<b>Total<sup>18</sup></b>	<b>\$211,000</b>

### Other Initiatives

**Blood Drive:** Pepper Money continued its partnership with Australian Red Cross Lifeblood throughout CY2025, supporting a blood-drive initiative in which employees volunteered to donate whole blood, plasma and platelets. These donations are expected to help save 249 lives this year, reflecting the meaningful contribution our people make to the communities we serve.

**Panthers on the Prowl:** Pepper Money donated a further \$50,000 to fund the Panther's on the Prowl **Building Young Men and Empowering Young Women programs**. Each program groups young people with mentors who face similar challenges to promote and educate on self-confidence, resilience, and psychological wellbeing.

**West's Tigers Empower Program:** The Pasifika Youth Summit was launched by West Tigers in CY2025 as a way of inspiring the celebration of culture, identity, and community. Held in December 2025, and supported by Pepper Money volunteers, the event brought together 150 young people from eight Pasifika heritages, including players from the Balmain and West's Tigers Pathways programs. Students immersed themselves in cultural workshops such as Haka and Siva Samoa, listened to powerful panels featuring leaders from the NRL, NSW Police Force, and West's Tigers, and engaged in meaningful Talanoa discussions focused on identity, unity, and belonging. Mentoring and reflection sessions reinforced confidence in cultural continuity and strengthened connections to heritage.

The impact was:

- Stronger cultural connections.
- Greater confidence in identity.
- A renewed sense of pride and possibility.

<sup>17</sup> Including all donations made in Australia, Philippines, and New Zealand denominated in Australian dollars.

<sup>18</sup> Subject to rounding

This summit marked a significant milestone in Pepper Money’s partnership with the Wests Tigers Empower Program. Throughout the year, we supported initiatives like the Empower Healthy Relationships Program and high-school programs that helped young people build resilience, confidence, and cultural pride.



**Financial Literacy Workshops:** As part of our major partnership with the Wests Tigers, Pepper Money has been championing financial literacy of professional athletes by equipping them with smart financial principles for life after football.

In a dedicated session titled **Mastering Money On and Off the Field**, Pepper Money CEO, Mario Rehayem, delivered financial literacy workshops to the Wests Tigers NRL and NRLW squads. The sessions focused on building long-term financial resilience, encouraging players to think beyond their next contract and take control of their financial wellbeing.

The workshops explored key financial principles such as budgeting, saving, and investing, and included discussions on early planning, the role of licensed advisers, and the concept of lifestyle inflation.

**Inclusive, community driven sport:** Pepper Money supports Narre Warren Junior Football Club (NWJFC) in Melbourne’s south-east. Over the past year, the club has created safer and higher-quality sporting experiences for local youths.

The club has been part of their local community since 1975, offering inclusive programs for boys and girls in the Berwick and Narre Warren area. Run entirely by volunteers, NWJFC reinvests every dollar into programs and facilities for local youth.

Our continued support helps keep football accessible and strengthens a resilient community.





# Governance

Pepper Money conducts business in accordance with high standards of corporate governance and with a view to creating and delivering value for Pepper Money's shareholders. To this end, Pepper Money has adopted a system of internal controls, risk management processes, and corporate governance policies and practices which are designed to support and promote the responsible management and conduct of the business.

## Disclosure Framework

Pepper Money's public disclosure framework is comprised of a suite of documents, covering our strategy, risk management and corporate governance frameworks, as well as Pepper Money's financial, non-financial and sustainability performance. Transparent reporting is a key pillar of Pepper Money in its communication to shareholders and other key stakeholders. Pepper Money continually evolves the reporting suite to align with best practice, feedback from our stakeholders, legislation and frameworks. These reports include the **Annual Report 2025** which contains the **Remuneration Report**, **Sustainability Report** and **Operational and Financial Review**, Pepper Money's **Corporate Governance Statement 2025**, and this **ESG Report 2025**.

## Doing the right thing

Pepper Money remains committed to achieving the highest possible standards of ethical behaviour and best practice in corporate governance. Pepper Money has a formal **Code of Conduct** which outlines standards expected of its employees, contractors and directors and is intended to guide them in relation to their business conduct and behaviour in the workplace.

We have a **Whistleblower Policy** to encourage all employees to feel safe in reporting suspected misconduct and provide a mechanism whereby incidents of suspected or actual misconduct (reportable conduct) can be reported anonymously without fear of reprisal, dismissal or discriminatory treatment.

Pepper Money always seeks to conduct business activities in an ethical, lawful and socially responsible manner, and in accordance with the laws and regulations of the countries in which we operate. Our reputation as an ethical business organisation is fundamental to our ongoing success. Engaging in bribery and corrupt conduct is contrary to this commitment and constitutes a serious offence with criminal and civil penalties. **Pepper Money's Anti-Bribery and Corruption Policy** applies to all employees, officers, directors and in certain circumstances, consultants, secondees, contractors, agents, partners and intermediaries representing us.

**Pepper Money's Conflicts of Interest Policy** sets out our approach to identifying and managing actual, potential and perceived conflicts of interest.

Under the *Australian Modern Slavery Act (2018)*, Pepper Money is required to prepare an annual statement describing the risks of modern slavery across our operations and supply chain, and the actions taken to address the risks.

**Pepper Money's Modern Slavery Statement** was published in June 2025.

Pepper Money's policies in respect to the above can be found at: [www.peppermoney.com.au/about/corporate-governance](http://www.peppermoney.com.au/about/corporate-governance).

## Regulatory oversight and reporting

Pepper Money operates within regulated markets that are subject to a range of legislative and compliance requirements. In both Australia and New Zealand, Pepper Money must comply with statutory obligations in relation to, among other things, licensing, responsible lending, anti-money laundering, counter terrorism financing, privacy, customer identification, credit reporting, unfair contract terms and disclosures to customers and investors. Pepper Money's Compliance function, in conjunction with Pepper Money's Legal Team, provides independent advice, oversight and challenge on regulatory compliance as well as providing advice to individual business divisions to assist with the implementation of regulatory change.

We are committed to complying with its disclosure obligations under the *Corporations Act* and the ASX Listing Rules to keep the market fully informed of information which may reasonably be expected to have a material effect on the price or value of Pepper Money's securities. We have adopted a **Continuous Disclosure Policy** which establishes procedures to ensure that Directors and employees are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

Pepper Money's Continuous Disclosure Policy can be found at: [www.peppermoney.com.au/about/corporate-governance](http://www.peppermoney.com.au/about/corporate-governance).

## Risk Management

At Pepper Money, we understand the importance of continuing to invest and mature our risk management policies, frameworks and practices. Risk management is an integral part of our business model. We recognise that risk management drives sustainable customer and business outcomes and is core to Pepper Money delivering on its strategy, mission and purpose.

Pepper Money has established a risk governance framework through a comprehensive committee structure to support the management of risk, including the Audit and Risk Management Committee (Board), Environmental, Social and Governance Committee (Board), Executive Committee (Management), Executive Risk Committee (Management), Credit Committee (Management), Environmental, Social and Governance Committee (Management), Product and Pricing Committee (Management) and Asset and Liability Committee (Management).

Pepper Money operates in adherence to its Risk Management Framework, which provides an effective and efficient approach to govern and oversee Pepper Money. This includes identifying, monitoring and mitigating risks to allow the business to deliver its strategy and to oversee business activities.

Pepper Money's Board has the ultimate accountability for risk management in the organisation, including setting the risk appetite of the business (documented in the **Risk Appetite Statement**). Day-to-day responsibility for risk management is cascaded through delegated individual accountability, supported by reporting and escalation through the Risk Governance structures outlined above. Policies, procedures, and limits are defined to ensure activities remain within an understood and appropriate level of risk. Pepper Money continues to evolve our approach to risk management, given the ever-changing needs of the business and our customers.

## Governance Structure



Board of Directors

Audit & Risk Committee



Remuneration & Nomination Committee



Environmental, Social & Governance Committee



Key Management Committees

Asset & Liability Committee



Executive Risk Committee



Credit Committee



Product & Pricing Committee



Executive Project Investment Committee



Management Environmental, Social & Governance Committee



## Privacy and Safeguarding Information

Pepper Money seeks to protect the personal information and privacy of our customers. We have implemented robust security and privacy controls around the collection and handling of personal information, in accordance with our **Privacy Policy**, which we continue to monitor and evolve. This policy outlines the methods and practices we use to collect, handle, and protect personal information. Pepper Money's Privacy Policy can be found at: [www.peppermoney.com.au/about/corporate-governance](http://www.peppermoney.com.au/about/corporate-governance).

For suppliers who collect or handle personal customer information on our behalf, we adopt a risk-based approach to due diligence assessments. This involves a review of their data and privacy governance, policies, and incident response capabilities to ensure they align with our standards and responsibilities. We acknowledge that the challenges of keeping our data and customers safe are continually evolving, and we strive to meet both regulatory and customer expectations.

We recognise that the nature of information we hold increases the likelihood of targeted cyber-attacks. As cyber threats continue to rise and escalate, maintaining strong cyber security and privacy measures is of paramount importance to us. Cyber security, particularly system-level resilience to minimise disruptions and enhance the protection of customer and employee information, remains one of our priorities.

To keep pace with regulatory and technological advances, we continuously review and evolve our internal processes, policies, and security tools. We periodically engage external firms and subject matter experts to review and provide feedback on our cyber strategic priorities. Our security team is dedicated to understanding the evolving threat environment, identifying our own strengths and weaknesses and implementing effective measures and tools to protect Pepper Money's business and our customer data.

Our commitment to cyber security and privacy is on-going and we are constantly striving to enhance our defences and safeguard the trust our customers place in us.

## Tax

We strive to maintain transparent and collaborative relationships with tax authorities. This involves open communication and cooperation to ensure that our tax affairs are managed responsibly and in accordance with the law. We believe that by doing so, we contribute positively to the societies in which we operate, supporting public services and infrastructure that benefit everyone.

Our commitment to responsible tax management is an integral part of our broader corporate responsibility strategy.

By aligning our tax practices with our values and strategic goals, we aim to support sustainable growth and create long-term value for our stakeholders, including our customers, employees, and the communities we serve.

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