



Reporting and Self-Assessment Template

Principles for Responsible Banking



Principle Alignment

1:



We align our commercial strategy so that we are consistent and in order to contribute to individual needs and societal aims as stated in the Sustainable Development Goals, the Paris Agreement on climate, and relevant national and regional frameworks.

Business model

Describe (in general) your bank's business model, including the main client segments you serve, the various types of products and services you supply, the main sectors and types of activities in the main geographies where your bank operates or supplies any products or services. Provide quantitative information including, for example, the distribution of your bank's portfolio (in %) across geographies, segments (on and/or off balance sheet) or total number of clients and number of customers served.

Answer:

Oragroup is a panafrican banking group operating through 12 subsidiaries in the WAEMU and CEMAC currency areas as well as Guinea and Mauritania. Its network of 172 branches provides services to 831,971 clients, manages 1,034,174 accounts, and operates 3,008 electronic payment terminals (EPTs). As of December 31, 2023, Oragroup's total assets amounted to XOF 4,236 billion, including XOF 2,038 billion of loans and advances to customers and XOF 3,089 billion of collected deposits. Orabank Togo, as a "systematically important" bank according to the ECOWAS, plays a pivotal role in the Togolese economy. Its customer portfolio includes 314,814 private clients and 19,008 VSEs and SMEs, which attests to its commitment to financial inclusion and local business development. With regards to credit lending, Orabank Togo's market share represents 36% of private companies, corresponding to XOF 333 billion. In terms of short-term, medium term and long term credit, Orabank Togo is also a leader with market shares of 22.3%; 25.2% and 4.7%, respectively. These figures attest to a ramping up of the bank's position in business financing, as well as to its role in promoting the local economy. To this end, the bank has implemented Lead'her, an initiative aiming at opening up woman-led VSEs and SMEs's access to financing. Additionally, it offers targeted savings products to minors, in order to foster financial education from an early age. Orabank Group positions itself as a strategic partner in economic and social development, easing access to finance for entrepreneurs and small enterprises. The bank supports several initiatives through structuring partnerships, including:

- MIFA (Inclusive agricultural financing mechanism), aiming at making it easier for farmer cooperatives to access

Links and references

[Systemically important banking institutions \(SIBs\) in the WAMU](#)

[Business model](#)

[Sustainable development](#)

financing and therefore strengthening the agricultural sector's productivity and resilience.

- FAIEJ (Support fund for youth economic initiatives), providing guarantees for financing granted to micro-companies and small businesses, hence promoting the emergence of young entrepreneurs.
- Projet National de Promotion de l'Entrepreneuriat Rural (National Rural Entrepreneurship Project), offering partnership opportunities to young rural entrepreneurs in order to ease their access to financial services and therefore contributing to financial inclusion and local development.
- SUNREF (Sustainable Use of Natural Resources and Energy Finance) program, within which Orabank Togo would assist its customers (companies and individuals) in the WAEMU area whose projects demonstrated a sustainable development objective targeting in particular Energy Efficiency and Renewable Energies.

Through these commitments, Orabank Group actively contributes to the Sustainable Development Goals (SDGs) by promoting financial inclusion, entrepreneurship and economic development across its areas of intervention.

Strategic alignment

Does your corporate strategy recognize and reflect sustainability as your bank's strategic priority or one of your bank's strategic priorities?

☒ Yes

☐ No

Describe how your bank aligned and/or intends to align its strategy in order to comply with the sustainable development goals (SDGs), the Paris Agreement on climate and the relevant national and regional frameworks.

Does your bank also make reference to either of the following frameworks or regulatory requirements concerning sustainability reporting in its strategic priorities or its implementation policies?

☒ United Nations Guiding Principles on Business and Human Rights

☒ Fundamental Conventions of the International Labour Organization

☒ United Nations Global Compact

☒ United Nations Declaration on the Rights of Indigenous Peoples

☐ Any regulatory requirements pertaining to reporting on the assessment of environmental risks, like climate risks, for example; please specify: -----

☐ Any regulatory requirements pertaining to reporting on the assessment of social risks, like modern-day slavery, for example; please specify: -----

☐ None of the above

Answer:

Orabank Group is a committed player in sustainable finance and a member of the United Nations Environment Programme Finance Initiative (UNEP FI). Its environmental and social risk management approach is based on the Environmental and social risk management system (SYMRES, Système de Gestion des Risques Environnementaux et Sociaux) implemented in 2017 and approved by the Orabank Group Board of Directors. This system allows for identification and mitigation of potential societal risks stemming from projects funded by the bank, ensuring that investments are without significant negative impacts on the environment or the society, while minimising financial and reputational risks. Orabank Group is a signatory to the Principles for Responsible Banking (PRB), a United Nations global initiative promoting sustainable financial practices in support of the Sustainable Development Goals (SDGs). Every year, Orabank Group prepares the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) report on environmental and social risks, corporate governance and development impact. Said report allows us to gauge the effectiveness of our commitments towards sustainable finance and transparency, hence strengthening our partners and investors' trust in us. In business financing, Orabank Group is a key player in the region's economic development. In 2022 and 2023, the Group lent an aggregate XOF 4,088 billion to large corporations, solidifying its position as a strategic partner to major players in the market. Besides, SMEs, which are key drivers of growth and innovation, benefited from financing totaling XOF 1,658 billion over the period. VSEs and professionals were granted loans amounting to XOF 380 billion, which demonstrates our continuing commitment to entrepreneurship and self-employment.

Orabank Group's loans portfolio sector diversification also bears witness to its resilience and its ability to adapt to the needs of the real economy. Loans granted in the oil extraction, refining and distribution sector, remains a strategic area, with a total growing from XOF 543.9 billion in 2022 to XOF 568 billion in 2023. The industrial sector benefited from loans amounting to XOF 266.3 billion in 2023, which confirms Orabank Group's commitment to industrial and manufacturing transformation. The telecommunications and information technologies sector, which drives digitalisation and innovation, also received unfailing support, with loans totalling XOF 181.4 billion in 2023, showing our determination to support digital migration efforts.

Besides, Orabank Group is a key player in financing infrastructures and strategic services. Loans granted in the construction industry reached XOF 375.7 billion in 2023, to help develop modern and sustainable infrastructures. In the water, electricity and energy

Links and references

[CSR Strategy](#)

[Support for international external initiatives](#)

sector, funds lent amount to XOF 114.1 billion in 2023, reflecting our commitment to support the provision of essential services and the development of sustainable energies.

Through such initiatives and a continuous commitment to responsible finance, Orabank Group remains an essential part of the economic and social development process. Its ability to finance structuring projects, while integrating ESG risk management principles, reinforces its leading role in supporting local businesses and economies.

Principle impact and target definition

2:



We will continuously increase our positive impacts while reducing our negative impacts and mitigating individual and environmental risks stemming from our activities, products, and services. To this end, we will define and publish targets where we are in a position to have the most significant impacts.

2.1 Impact analysis (key stage 1)

Demonstrate that your bank has performed an analysis of impacts produced by its portfolio(s) in order to identify its most significant impact areas and define the priority areas for the establishment of goals. Such impact analysis is to be updated on a regular basis ¹and to meet the following requirements/items (ad)² :

- a) Scope:** Describe the scope of your bank's impact analysis. Detail the components of the bank's main business areas, as well as any products/services in the main geographical areas in which the it operates (as described in 1.1) which have been taken into account in the impact analysis. Mention those areas that aren't yet within its scope and explain why.

Answer:

As a committed member of the United Nations Environment Programme Finance Initiative (UNEP FI), Orabank is gradually including the impact analysis into its loan assessment process in order to identify and quantify its loan portfolio's positive and negative impacts.

In 2022, Orabank Group published its first PRB report for responsible banking institutions and plans to adopt the UNEP FI

Links and references

[Commitments](#)

[Impacts, risks and opportunities](#)

¹If the analysis of impacts was performed in a previous period, the corresponding information shall be updated accordingly, its scope widened and its quality improved over time.

²Additional guidance is to be found in the document [Impact analysis and](#)

[target setting process - Interactive Guidance](#) .

IMPACT ANALYSIS TOOLS in order to refine its assessment of loans and align its strategy with the Sustainable Development Goals (SDGs).

Scope of the impact analysis

The impact analysis currently encompasses Togolese businesses benefiting from loans, with a particular emphasis on VSEs, SMEs and SMLs. In 2023, outstanding loans to Togolese businesses amounted to XOF 241 billion, or 52.11% of the entity's outstanding loans and 10.33% of the Group's outstanding loans. The amount of outstanding loans granted to VSEs and SMEs/SMLs was XOF 46 billion, or 10.02% of the entity's outstanding loans.

Orabank Group implements a strict approach towards responsible finance, and gives particular attention to sensitive sectors. Therefore, loans granted to the industries of tobacco, coal, gambling, and fermented alcoholic beverages production only account for 0.1124% of the Group's outstanding loans, demonstrating its commitment to minimize its exposure to activities having negative impacts on health and on the environment.

With the UNEP FI IMPACT ANALYSIS TOOLS, the Group will be able to analyze the impacts of its loans portfolio in more depth, to identify precisely the areas where such impacts are the most significant, and to set appropriate strategic goals.

Commitment to responsible financial practices

The Orabank Group's commitment to sustainable finance is also reflected in:

- Its membership of UNEP FI, thereby strengthening its alignment with the principles of sustainable financial practices.
- Setting up annual reporting on the indicators pertaining to environmental and social risks, corporate governance, and development impact, in cooperation with Deutsche Investitions- und Entwicklungsgesellschaft (DEG).
- Strategic partnerships with various international funding agencies, who support Orabank in its actions in favor of inclusive and responsible financial practices:

Financial partners and strategic projects

- Agence Française de Développement (AFD): Supports sustainable development projects in Africa, in particular in education, energy and financial inclusion.
- African Development Bank (AfDB): Through its Support Project for Youth Employability and Integration in Growth Sectors (PAEIJ-SP), the AfDB supports the youth's professional integration and entrepreneurship.
- World Bank: A key partner in the Support program for the fight against climate change – Global Climate Change

<p>Alliance (PALCC-GCCA), aiming at enhancing the African economies' resilience to environmental challenges.</p> <ul style="list-style-type: none"> • European Union (EU): The EU is a participant in the Global Climate Change Alliance (GCCA) and supports environmental policies and sustainable development in Africa. • MIFA Project (Inclusive agricultural financing mechanism): Facilitates access to finance for participants in the agricultural sector, hence contributing to empowering small-scale farmers. • FAIEJ (Support fund for youth economic initiatives): Plays a key role in enhancing micro- and small businesses' access to finance through guaranteeing loans to young entrepreneurs. • Projet National de Promotion de l'Entrepreneuriat Rural (National Rural Entrepreneurship Project): Encourages the development of rural businesses by providing financial and technical support to entrepreneurs in rural areas. <p>Thanks to its many initiatives and partnerships, the Orabank Group has established itself as a key player in sustainable finance in Africa, supporting projects with a strong economic, social and environmental impact.</p> <p>The Bank intends to keep structuring its financial support taking into account the principles of societal and environmental responsibility, while meeting the needs of local populations and businesses.</p>	
<p>b) Portfolio composition: Did your bank take into account its portfolio composition (in %) in the analysis? Provide the proportional composition of your portfolio globally and by geographical area</p> <p>i) for each sector and industry ³for merchant, corporate, and investment banking (exposure to each sector or industry, in %), and/or</p> <p>ii) for each product and service and type of customer for retail banking portfolios.</p> <p>If your bank has opted for a different approach to ascertain its scale of exposure, please specify, in order to show how you considered where the main activities of the bank are in terms of industries or sectors.</p>	
<p>Answer:</p> <p>Orabank Group is actively committed to the financial inclusion of women and the youth by developing a dedicated strategy and action plan.</p> <p>Developing our women and youth customer base:</p> <p>Orabank Togo has 27.45% of women and 15.05% of people younger than 25 among its customers, who are given special consideration in the definition of commercial strategies.</p>	<p>Links and references:</p> <p>Orabank Togo : Succès de l'opération de titrisation de créances sur le marché financier régional Orabank (in French)</p>

³ "Key sectors" for the various impact areas, i.e. Those sectors whose positive and negative impacts are particularly strong, are of particular relevance here.

This initiative was launched during the Orabank Private and Business Customers Department 2023 conference.

Products and services adapted to the needs of women and young people:

Facilitating financing for VSEs and SMEs run by women

Offering targeting minors, in order to foster financial inclusion from an early age.

Designing of a Student package including:

- Savings account
- Keaz banking card
- WhatsApp banking

Strategic partnerships with the best universities:

Signature of partnership agreements with major academic institutions to offer students adapted banking services.

Impact and alignment with responsible financial practices:

This strategy falls within Orabank's global commitment to inclusive and sustainable financial practices, in line with SDGs and UNEP-FI recommendations.

c) Background: What are the major sustainability issues and priorities in the main countries/regions in which your bank and/or your customers operate? ⁴Describe how they were taken into account; include the stakeholders you retained to help you clarify this aspect of your impact analysis.

This step aims to put the impact of your bank's portfolio into the context of society's needs.

Answer:

Orabank Group is actively committed to responsible finance as a member of UNEP FI and signatory to the Principles for Responsible Banking (PRB). Such commitment is reflected in the integration of the UNEP FI IMPACT ANALYSIS TOOLS in order to identify and measure loans with positive and negative impacts. This initiative is aimed at aligning Orabank's financing strategy with the Sustainable Development Goals (SDGs) and reinforcing transparency in terms of environmental and social impact.

In this perspective, Orabank Togo puts a particular emphasis on financing VSEs and SMEs, and more specifically those run by women and young people. This is why 27.45% of women customers and 15.05% of customers younger than 25 in Togo are given special consideration in the definition of commercial strategies.

Orabank also collaborates with several international funding agencies to support strategic projects with substantial social and environmental impact. Among its partners are Agence Française de Développement (AFD), the African Development Bank (AfDB) through its Support Project for Youth Employability and Integration in Growth Sectors (PAEIJ-SP), as well as the World Bank and the European Union via the Global Climate Change Alliance (GCCA). The bank also supports local initiatives like the MIFA Project (Inclusive agricultural financing mechanism) and the FAIEJ (Support fund for youth economic initiatives), which guarantees loans to micro- and small businesses.

Finally, Orabank ensures that its financing complies with sustainability criteria by excluding, for example, sectors with a high negative impact, such as tobacco and fermented alcohol production, which represent only 0.0005% of the Group's outstanding loans. This approach illustrates the importance Orabank places on monitoring responsible finance and reducing the negative impact of the financing it provides. Through all these initiatives, the bank is affirming its commitment to strengthening its role in sustainable finance and supporting the socio-economic development of its host countries.

Links and references

[Impacts, risks and opportunities](#)

⁴Global priorities may also be considered for banks with highly diversified and international portfolios.

Based on these first three components of an impact analysis, what areas of positive and negative impact has your bank identified? What areas of significant impact (mention at least two) have you prioritized to pursue your goal-setting strategy (see 2.2)⁵ ? Please disclose.

Answer:

Orabank Group has identified several areas of positive and negative impact in its impact analysis. Among the negative impacts, the bank endeavors to limit its exposure to certain activities deemed not to be socially or environmentally responsible. The Group therefore applies a strict exclusion policy to the financing of certain industries such as tobacco, fermented alcohol, coal, gambling and other sectors with a significant negative impact. The bank's consolidated exposure to excluded sectors currently represents 0.1124% of the Group's outstanding loans, demonstrating its commitment to reducing its footprint in these activities.

At the same time, Orabank Group is implementing initiatives to strengthen its positive impact on the economy and the environment. Two strategic priorities have been defined to guide the Group's goal-setting strategy:

Developing female and young customers: Orabank Group has implemented a specific strategy to increase the financial inclusion of women and young people under the age of 25. 27.45% of women customers and 15.05% of customers younger than 25 in Togo are currently taken into consideration in the definition of commercial strategies. To support this clientele, the bank has developed dedicated financial products, such as financing facilities for VSE/SME/SMIs run by women, and solutions tailored to young people and minors, such as the student package (savings account + Keaz card + WhatsApp Banking), education continuity insurance coverage, savings for minors.

Supporting projects with a strong environmental and social impact: Oragroup is committed to financing initiatives that promote sustainable development. Through partnerships with AFD, the AfBD, the World Bank and the European Union, the bank supports several programmes, including the MIFA Project (Inclusive agricultural financing mechanism) and the FAIEJ (Support fund for youth economic initiatives). Such programs allow to guarantee loans to micro- and small businesses, particularly those operating in strategic sectors such as agriculture and renewable energies.

Links and references

[Impacts, risks and opportunities](#)

⁵To prioritize the most significant areas of impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, for example via stakeholder engagement and further geographical contextualization.

Through these commitments, Orabank Group is strengthening its role in sustainable finance and financial inclusion while aligning its actions with the Sustainable Development Goals (SDGs).

d) For these (min. two priority impact areas): Performance measurement: Has your bank identified the sectors and industries as well as the types of customers financed or invested in that cause the strongest real positive or negative impacts? Please describe how you assessed their performance, using appropriate indicators linked to the significant impact areas that apply to your bank's context.

To prioritize goal-setting among its most significant impact areas, you should take into account the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or approximations of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health and inclusion as your most significant areas of impact, please also refer to the relevant indicators in the [appendix](#).

If your bank has adopted a different approach to assessing the intensity of the impact resulting from its activities and the supply of products and services, please describe it.

The result of this step will also provide a baseline (including indicators) that you may use to set goals in two areas of most significant impact.

Answer:

Orabank Group finances several key high-impact sectors, including financial inclusion, education, energy, environment and infrastructure. By financing SMEs, the bank plays an essential role in economic growth and job creation. It also supports educational institutions to improve access to quality education. In the environmental sector, the Group supports renewable energies and energy efficiency projects, thereby contributing to ecological transition. Support for infrastructure and social housing aims to improve living conditions and promote sustainable urbanization.

True to its commitment to responsible finance, Oragroup was one of the first commercial banks to integrate ESG issues into its processes. In 2011, the group started implementing the SYMRES system of environmental and social risk management to better prevent environmental risks and meet its investors' expectations. Aware of the challenges linked to the CSR culture in Africa, the bank supports its teams and customers in a pedagogical approach to better understand sustainability issues.

Orabank Group has adopted a strategic vision of its development, focusing on medium- and long-term financial stability. At a time when the African financial system needs to be organized around strict ESG criteria, the Group has set up an infrastructure and institutional framework suited to accommodating impact funds. This is why Orabank Group is gradually focusing its activities on financing priority sectors such as agriculture and renewable energies, making these themes central to its banking business.

Links and references

[Impacts, risks and opportunities Reporting](#)

Financial inclusion remains a major strategic focus for the banking group, particularly through digitalization. The high cost of in-branch banking is a barrier to low-income populations. By integrating digital solutions, the bank democratizes access to financial services and enables a greater number of customers to carry out transactions at lower cost. This approach is key in a context of accelerating urbanization and a growing need for accessible banking solutions.

Orabank Group has formed a number of strategic partnerships to strengthen its efforts in favor of SMEs and financial inclusion. In 2021, the Group has teamed up with Axian to offer innovative financial services, such as e-money and nanosavings, to low-income populations. In 2022, a FCFA 60 billion portfolio guarantee agreement has been signed with African Guarantee Fund to increase SME financing, with a particular focus on female entrepreneurship and green financing. Orabank Group is thus committed to pursuing its development by consolidating its partnerships and adapting its offer to the needs of its customers. The bank is committed to strengthening its impact measurement framework by drawing on tools such as the UNEP FI IMPACT ANALYSIS TOOLS.

Summary of self-assessment:

Which of the following impact analysis items has your bank carried out, in order to identify the areas in which your bank has its most significant positive and negative (potential) impacts?⁶

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Background:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

What are the most significant areas of impact that you have identified for your bank as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency and circular economy, biodiversity, financial health and inclusion, human rights, gender equality, decent work, water, pollution, other: please specify

How up-to-date is the data used and disclosed in the impact assessment?

- ☐ Up to 6 months before publication
- ☐ Up to 12 months before publication
- ☐ Up to 18 months before publication
- ☐ More than 18 months before publication

Open text field to describe potential challenges, aspects not covered by the above, etc. (optional)

⁶A "Yes" to any question means that you have completed one of the steps described, e.g. If the initial impact analysis has been completed, or a pilot project has been carried out.

2.2 Target definition (key stage 2)

Show that your bank has defined and published at least two goals that address at least two different areas of greatest impact as identified in your impact analysis.

Such goals⁷ must be specific, measurable (qualitative or quantitative), achievable, relevant and time-bound (SMART). For each target, disclose the following elements of target definition (announcement):

a) Alignment: what international, regional or national policy frameworks to align your bank's portfolio⁸ have you identified as relevant? Demonstrate that the selected indicators and targets are linked and promote alignment with and greater contribution to the relevant Sustainable Development Goals, the goals of the Paris Agreement and other relevant international, national or regional frameworks.

You may refer to the background information in 2.1.

Answer:

Orabank Group is committed to promoting sustainable finance by aligning its strategy with the Sustainable Development Goals (SDGs), the Paris Agreement, and national and regional frameworks for ecological transition and financial inclusion. An analysis of sectoral commitments reveals opportunities for improvement, particularly in reducing exposure to high-carbon impact sectors and supporting sectors with high economic inclusion potential.

Orabank Group's CSR strategy includes 4 strategic areas and 11 commitments.

1- Transparency

- Establish a corporate culture based on ethics, compliance, integrity and recognized codes of conduct.
- Maintain efficient governance.
- Create harmonious, long-term relationships based on trust with our partners.

2- Employer of choice

- Offer attractive and motivating working conditions.
- Support and develop human capital.
- Ensure the company's representativeness and equality of treatment and opportunities.

3- Development in Africa

- Create local wealth for our partners and jobs.
- Promoting economic and social inclusion through our digital services.
- Get involved in regional solidarity initiatives.

4- Environment

Links and references

[Strategic roadmap](#)

- Improve the Group's environmental performance.
- Finance green growth and support investment through measures to adapt to climate change.

b) Baseline: have you determined a baseline for the selected indicators and assessed the current level of alignment? Please identify the indicators used and the baseline year.

You may use the performance measurement undertaken in 2.1 to determine your target's baseline.

A set of indicators has been developed for climate change mitigation and financial health and inclusion to guide and support banks in defining their objectives and implementation path. An overview of the indicators can be found in the [appendix](#) to this template.

If your bank has prioritized climate change mitigation and/or financial health and inclusion as (one of) your most important impact area(s), it is strongly recommended that you report on the indicators in the appendix, using a summary table as below, including the impact area, any relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Answer
Climate change mitigation	...	
	...	
	...	

Impact area	Indicator code	Answer
Financial health and inclusion	...	
	...	
	...	

If you have identified other and/or additional indicators as relevant for determining the baseline and assessing the level of alignment with impact-oriented goals, please disclose them.

Answer:

At December 31, 2023, Oragroup's exposure to negative-impact business activities - namely coal, tobacco, fermented alcohol production and gambling - total XOF 2,624,229,207, or 0.1124% of its outstanding loans. This exposure reflects a significant effort on the part of the bank to limit its involvement in sectors with negative impacts on health and the environment. Orabank Group is firmly committed to positive-impact finance, a responsibility shared by all its employees. The bank recognizes that every form of financial activity generates social, environmental and economic

Links and references

[Impacts, risks and opportunities Reporting](#)

⁷Operational goals (water consumption in office buildings, gender parity within the bank's executive committee, greenhouse gas emissions resulting from business travel, for example) are not within the remit of PRB.

⁸ In setting goals, your bank must take into account the key sustainable development challenges and priorities in the main countries where you operate. They can be found in the national development plans and strategies, international goals such as SDG or the Paris Agreement on climate, and regional frameworks. Alignment means that there should be a clear link between the bank's goals and those frameworks and priorities, demonstrating how the goal supports and drives contributions to national and global targets.

impacts, whether positive or negative, in relation to the assets financed. Thus, Oragroup's entire business portfolio, including its capital markets operations, asset management and mergers & acquisitions, is examined through the prism of sustainable finance.

In order to identify and measure these impacts, Orabank Group is seeking support from UNEP FI for training on the "UNEP FI IMPACT ANALYSIS TOOLS". This training will enable the bank to better compare the positive and negative effects of loans in key sectors. The potential positive impact analysis focuses in particular on loans granted to Togolese companies, which represent XOF 241 billion in 2023, or 52.11% of the total outstanding loans granted by the entity. Included in this portfolio are loans to VSEs, SMEs and SMIs reaching XOF 46 billion, or 10.02% of total outstanding loans. Pending training on the UNEP FI impact tool, such loans are deemed to have a positive impact.

c) Smart goals (including key performance indicators (KPIs)⁹): Please disclose the goals for your first and second most significant impact areas, if already in place (as well as other impact areas, if in place). What KPIs do you use to track progress towards the goal? Please disclose.

Answer:

As part of its sustainability strategy and environmental policy, Orabank Group recognizes the importance of managing climate risks and the impact of these risks on its business environment. The bank is currently implementing clear goals to reduce its exposure to sectors with a high environmental impact, while supporting sustainable initiatives. Orabank Group has decided to cease financing the tobacco and alcoholic beverages industries, thereby committing to excluding these sectors from its portfolio in order to contribute to the reduction of negative impacts on health and the environment. At the same time, the bank has put in place measures to limit exposure to other high-carbon impact sectors, such as fossil fuels. In a similar vein, Orabank Group has redirected its financing towards renewable energies, thus actively contributing to the energy transition. These decisions are part of a responsible and ethical approach, aligned with the Sustainable Development Goals (SDGs) and the Paris Agreement. Progress will be monitored through annual reports and key indicators, including reduced exposure to sectors posing environmental risks, exclusion of the tobacco and alcoholic beverages sectors, and increased investment in renewable energies.

Links and references

[CSR Strategy](#)

⁹KPIs are indicators selected by the bank in order to monitor progress towards specific goals.

d) Action plan: what actions, including milestones, have you defined to achieve your goals? Please describe.

Please also demonstrate that your bank has analyzed and recognized the significant (potential) indirect impacts of the goals set in the impact area or on other impact areas, and that it has defined relevant actions to prevent, mitigate or compensate for potential negative impacts.

Answer:

As part of its commitment to sustainable finance, Orabank Group has implemented several actions to achieve its goals of reducing environmental impact and promoting renewable energy. Among the key actions, the bank has moved out of financing the tobacco and alcoholic beverages industries, and redirected its investments towards renewable energies and energy transition. This strategic reorientation is reflected in funding for renewable energy projects, with a particular focus on optimizing the capacity of existing infrastructure, as well as supporting projects that promote the attainment of the Sustainable Development Goals (SDGs), notably SDG 7 (Clean and Affordable Energy) and SDG 13 (Climate Action). To monitor the effectiveness of its actions, Orabank plans to train on the UNEP FI impact analysis tool, in order to improve the assessment and management of environmental and social risks component of its financing projects. In addition, the bank is setting up several strategic partnerships to support its sustainable development and financial inclusion goals.

Key partnerships include:

MIFA Project (Inclusive agricultural financing mechanism): This project aims to make it easier for farmer cooperatives to access financing and therefore strengthen the agricultural sector's productivity and resilience in the face of climatic challenges. It also contributes to the transition towards more sustainable agricultural practices and food security.

FAIEJ (Support fund for youth economic initiatives): This fund supports access to financing for micro and small businesses, particularly those run by young entrepreneurs. In so doing, it promotes job creation and the economic inclusion of young people, while contributing to the diversification and modernization of the economy.

Projet National de Promotion de l'Entrepreneuriat Rural (National Rural Entrepreneurship Project): This project facilitates access to financial services for young entrepreneurs in rural areas, thereby supporting financial inclusion and local development. It enables

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[Strategic roadmap](#)

young people to launch their entrepreneurial projects in rural areas, in response to the socio-economic challenges specific to these regions.

These initiatives are aligned with the objectives of economic inclusion, support for renewable energies, and reduced exposure to high-carbon impact sectors. Orabank continues to strengthen these partnerships to enhance its sustainable finance actions and support the ecological transition through responsible and inclusive financing.

Summary of self-assessment

Which of the following elements of goal setting in accordance with PRB requirements has your bank completed or is currently evaluating for your...

	...first most significant impact area: ...(please identify it)	...second most significant impact area: ...(please identify it)	(If you set goals in several impact areas) ...your third (and subsequent) impact area(s): ...(please identify it/them)
Alignment	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Implementation and monitoring of targets (Key stage 2)

For each target separately:

Show that your bank has implemented the actions previously defined to achieve the goal set.

Report on your bank's progress since the last report towards achieving each of the goals and the impact of your progress, using the indicators and KPIs for tracking progress as defined in point 2.2.

Our, in the event of changes to the implementation plans (for the 2nd and subsequent reports only): describe the potential changes (changes in priority impact areas, changes in indicators, acceleration/revision of goals, introduction of new milestones or revisions to action plans) and explain why these changes have become necessary.

Answer:

Orabank Group has implemented the SYMRES system of environmental and social risk management to meet sustainability challenges and ensure that investment projects submitted to the bank comply with environmental and social standards. This system was rolled out in 2017 across all Group entities and approved by the Orabank Group Board of Directors. SYMRES makes it possible to identify, assess and reduce ESG (Environmental, Social and Governance) risks that could negatively impact financed projects, thereby minimizing financial and reputational risks for the bank.

The system includes several essential tools: an ESG risk management procedures manual, a financing exclusion list (which bans certain activities deemed too risky from a social or environmental standpoint), a specific ESG risk context for each country where the Group operates, and an ESG risk rating tool applied to companies. An analysis software package is also integrated into financing contracts to ensure that projects are assessed in all their dimensions against ESG criteria prior to approval.

As part of its commitment to responsible finance, Orabank has become a member of the PRB (Principles of Responsible Banking), a global partnership of the United Nations. This partnership supports the United Nations' Sustainable Development Goals (SDGs) and enables Orabank to better integrate and promote sustainable finance within its operations. Through SYMRES and these partnerships, Orabank continues to improve its management of environmental and social risks, while ensuring that its activities are aligned with global sustainability goals.

Links and references

[Impacts, risks and opportunities](#)

Principle Customers and clients

3:



We shall work responsibly with our customers and clients to encourage sustainable practices and enable economic activities that create shared prosperity for present and future generations.

3.1 Customer engagement

set up a policy or engagement process with customers and clients to foster sustainable practices¹⁰?

☒ Yes ☐ In progress ☐ No

Does your bank have a policy for the sectors in which you have identified the highest (potential) negative impacts?

☒ Yes ☐ In progress ☐ No

Describe how your bank has collaborated and/or plans to collaborate with its customers and clients to foster sustainable practices and enable sustainable economic activities¹¹). Your answer should include information on relevant policies, actions planned/implemented to support customer transition, selected indicators of customer engagement and, where possible, impacts achieved.

This should be based on and consistent with the impact analysis, goal setting and action plans implemented by the bank (see P2).

Answer:

Orabank Group has devised a formal policy to foster sustainable practices among its customers, in line with its ethical commitments and values. This policy is set out in detail in the bank's Code of Ethics and Quality Policy, which ensure that customers are provided with comprehensive information on products and services, including the associated risks and benefits. The aim is to ensure that products are tailored to each customer's risk profile, and to avoid any misleading marketing, mis-selling or hard selling.

To support sustainable practices, Orabank has also introduced a formalized complaints management system, which enables any customer complaints to be dealt with transparently and efficiently. This system allows for a detailed disclosure of procedures, enabling all customer concerns to be handled appropriately and within a reasonable timeframe. In particular, complaints are handled by a dedicated structure such as SATIS FINTECH SA, which ensures that customer queries are dealt with swiftly and appropriately. At the same time, Orabank Group ensures that its activities comply with the principles of professional conduct and ethics, by integrating strict rules on money laundering, the financing of

Links and references

[Materiality and stakeholders](#)
[Business model](#)

terrorism, the protection of the customers' interests, as well as the management of insider information and ethical reporting.

As part of its commitment to fostering sustainable practices, the bank places the interests of its customers at the heart of its concerns. It makes sure that any products and services offered genuinely meet customers' needs, by providing clear and precise information on all terms and conditions, including associated fees. The bank also provides several channels for handling customer complaints, managed by dedicated teams and forwarded to the appropriate entities within a reasonable time, via ADKontakt and DMD Contact among others.

3.2 Professional opportunities

Describe the strategic business opportunities related to increasing positive impacts and reducing negative impacts that your bank has identified and/or how you have worked on them during the reporting period. Provide information on existing products and services, on sustainable products developed in value (USD or local currency) and/or as a % of your portfolio, and on which SDGs or impact areas you are trying to have a positive impact (e.g. green mortgages - climate, social bonds - financial inclusion, etc.).

Answer:

Orabank Group is actively committed to promoting responsible and sustainable finance in West Africa. To this end, we have signed up to the Principles of Responsible Banking in 2022 and plan to join the Green Fund initiative in Central Africa, opening up new prospects for financing environmental and social projects. As a responsible player, we see real development opportunities in energy transition, notably by supporting renewable energy production and reducing environmental impacts in key sectors such as mobility and firewood consumption. With this in mind, we have launched financial products such as Cap Energie and Cap Bleu to support businesses in the sustainable management of energy and water, and we are actively working to expand our financing solutions to include projects to reduce local emissions and improve air quality. However, these opportunities come with significant challenges, including the need to develop effective monitoring, measurement and control systems, as well as to strengthen the training of our employees to ensure the proper management of ESG impacts. In the short term, Orabank aims to strengthen its strategy and equip itself with the tools needed to monitor and evaluate the performance of its initiatives, while in the long term we aspire to become a key player in sustainable finance in Africa, actively supporting energy transition and social inclusion through concrete, measurable projects. Orabankers play a key role

Links and references

[Impacts, risks and opportunities](#)

¹⁰A customer engagement process is a process whereby clients are supported to transition their business models according to sustainable development goals through strategic steering through various customer relationship channels.

¹¹Sustainable business activities are conducive to a transition towards a low-carbon economy that is more efficient in its use of resources and sustainable.

in this process, and it is crucial to involve them fully in our CSR projects, to ensure that our commitment to sustainable development is reflected at every level of our organization.

Principle Stakeholders

4:



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve the company's objectives.

4.1 Stakeholder identification and consultation

Does your bank have a process for identifying and regularly consulting, engaging, collaborating and partnering with the stakeholders (or stakeholder groups¹²) you have identified as relevant to the impact analysis and goal-setting process?

☐ Yes ☒ In progress ☐ No

Please describe the stakeholders (or stakeholder groups/types) you have identified, consulted, retained, collaborated or partnered with in order to implement the Principles and improve your bank's impacts. This description should include a high-level overview of how your bank identified relevant stakeholders, what issues were addressed/results achieved and how they have been integrated into the action planning process.

Answer:

As part of our commitment to corporate social responsibility, we have undertaken in-depth work to identify and map our stakeholders, in line with principle #1 of the ISO 26000 standard. The methodology we adopted is based on GRI standards, guaranteeing a rigorous, standardized approach. This process began with a document review and an international and sector benchmark, followed by a overview of the ways we engage with our stakeholders. This enabled us to segment our stakeholders into homogeneous groups and sub-groups, to better understand their expectations and priorities.

Once this mapping had been completed, it was presented to the Steering Committee, made up of the Communications Departments of the countries where Oragroup operates. A collaborative exercise was then carried out to determine the criticality of each stakeholder

**Links and
references**

[Materiality and stakeholders](#)

[A pan-African banking group participating in the development of an emerging Africa](#)

¹²Such as regulatory authorities, investors, governments, suppliers, clients and customers, academia, civil society organizations, communities, indigenous population representatives and non-profit organizations

group and validate this prioritization. This enabled us to focus our efforts on the most influential and relevant stakeholders for our sustainability actions.

Aware of our role as a major economic player, we are committed to a proactive approach to corporate social responsibility. This approach enables us not only to contribute to the sustainable economic development of the countries in which we operate, but also to ensure the overall performance of the Orabank Group. We integrate the key interests of our stakeholders while adopting a pragmatic and realistic approach to the specific challenges faced in each region and business sector.

Finally, the quality of service delivered by Oragroup depends on several factors: the commitment of our employees, the cooperation with our suppliers and partners, and the trust we build with our customers, investors and other beneficiaries. Our business model is based on these solid relationships, which guarantee the sustainability of our activities and the satisfaction of our stakeholders.

Principle Governance and culture

5:



We will implement our commitment to these Principles through effective governance and a responsible banking culture.

5.1 Governance structure for implementing the Principles

Does your bank have a governance system that incorporates PRB?

☒ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures that your bank has implemented/plans to implement to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information on

- which committee is responsible for the sustainability strategy and for approving and monitoring targets (including information on the highest level of governance to which the PRB is subject),
- details of the chairman of the committee and the process and frequency for the Board of Directors to oversee the implementation of PRB (including corrective action in the event of unmet objectives or milestones, or unexpected negative impacts detected), as well as
- compensation practices linked to sustainable development targets.

Answer:

Within the framework of ethical governance, Oragroup ensures compliance with current standards and regulations, such as Circular No. 01-2017/CB/C relating to the governance of credit institutions and financial companies in the WAMU. The Board of Directors ensures that at least a quarter of its members are independent, guaranteeing objective and transparent decision-making. In April 2023, following an assessment by the Ethics, Governance and Appointments Committee, the Board confirmed the independence of four directors, in line with the criteria set out in the circular. These directors, namely Mr Tchétché N'GUESSAN, Mr François KLITTING, Mr Alassane BA and Mrs Marie-Ange SARAHA YAO, meet the strict criteria of independence, thus ensuring the integrity of our corporate governance.

With regard to ESG risk management, Orabank has implemented the SYMRES environmental and social risk management system, which enables proactive management of the societal risks associated with our investment projects. This system, deployed in all our entities since 2017, aims to prevent the financing of projects with a negative social or environmental impact. It comes with risk management and assessment tools, such as a procedures manual and an exclusion list, to ensure that all our activities comply with international environmental and social standards. In 2020, we also

Links and references

[Governance](#)

reviewed our non-financial risk mapping to better align our CSR strategy with the UN Sustainable Development Goals.

Against a backdrop of heightened ESG risks, due in particular to growing awareness of climate and social issues, Orabank Group has integrated resilience and sustainability practices into its projects. In line with the TCFD (Task Force on Climate-related Financial Disclosures) recommendations, we have taken steps to improve our climate and energy policy, by regularly reviewing our CSR strategy. In 2022, the Group validated several strategic actions, such as updating risk management plans, integrating operational loss limits and revising credit loss valuation assumptions. These efforts aim to not only ensure regulatory compliance, but also support the transition to a green, sustainable economy.

Oragroup is therefore fully committed to strengthening its ethical governance and integrating ESG risks into its strategies to support an inclusive and responsible growth while ensuring effective risk management at all levels of the organization.

5.2 Promoting a responsible banking culture:

Describe your bank's initiatives and measures to foster a responsible banking culture among its employees (e.g. capacity building, e-learning, sustainability training for customer-facing roles, inclusion in compensation structures and performance management and leadership communication, among others).

Answer:

Orabank Group has implemented several initiatives to promote a responsible banking culture among its teams. Since 2014, the Group has launched an online Corporate Social Responsibility (CSR) training program, in order to raise its employees' awareness of sustainable development issues and help them integrate these principles into their daily practices. This training is aimed at all employees, with a particular focus on employees in customer-facing positions, who benefit from specific modules on integrating ESG (Environmental, Social and Governance) criteria into their work. By June 2023, more than 1,700 employees had already completed this training course, reinforcing Oragroup's collective commitment to responsible banking practices.

Meanwhile, Orabank Group has ensured that Group management and leaders play an active role in communicating this CSR vision, organizing seminars and workshops to clarify strategic objectives and disseminate the bank's values. Communicating sustainability issues is an integral part of internal management strategies, contributing to reinforce the teams' commitment to the Group's values.

Links and references

[CSR Strategy](#)

Finally, CSR is also integrated into employee performance management. Indeed, Oragroup links specific performance criteria to sustainability goals, encouraging employees to integrate these issues into their daily work. Although details of compensation structures are not explicitly specified, it is clear that incorporating CSR into performance goals helps to strengthen a responsible banking culture. Together, these initiatives help to make the Orabank Group a proactive bank, whose mission is to promote more inclusive and sustainable finance in Africa.

5.3 Due diligence policies and processes

Does your bank have policies in place that address environmental and social risks within your portfolio? ¹³Please describe.

Please describe the due diligence processes your bank has in place to identify and manage the environmental and social risks associated with your portfolio. This may include such aspects as identifying substantial/significant risks, mitigating environmental and social risks and designing action plans, risk monitoring and reporting and any existing grievance mechanisms, as well as the governance structures you have implemented to oversee these risks.

Answer:

Orabank Group has set up the SYMRES environmental and social risk management system to manage the ESG (Environmental, Social and Governance) risks associated with its activities. This system, which was developed by the Legal and CSR Department and deployed in 2017, aims to identify and minimize potential social and environmental risks associated with any investment project submitted to the bank. The aim is to avoid financing projects or activities that have a significant negative impact on the environment or communities, which could turn into financial or reputational risks for the bank.

SYMRES includes a procedures manual detailing ESG risk management, an exclusion list for financing requests, and background elements on ESG risks in each country where Orabank Group operates. It also includes an ESG risk rating tool for companies and an analysis file to be incorporated into contracts. In 2020, Orabank Group reviewed its non-financial risk mapping to align its CSR strategy with its strategic development orientations. This review allowed to identify and address ESG risks in order to reduce their impact and frequency.

Orabank Group has also adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to improve its climate and energy policy. Incorporating the Sustainable

Links and references

[La gestion RSE dans le Groupe Orabank | Orabank \(in French\)](#)

¹³Relevant examples of some of these policies are: exclusion policies targeting specific sectors/activities; “no deforestation” policies; “zero tolerance” policies; gender-related policies; social due diligence policies; stakeholders engagement policies; whistle-blowing policies, etc. or any applicable national directive pertaining to social risks.

Development Goals (SDGs) and international recommendations such as those of the TCFD, GRI, SASB, and COSO has strengthened the Group's ESG risk management system. A steering committee comprising 35 members from the Group's various departments (executive, risk management, treasury, sales, legal, credit, etc.) was set up to implement a three-stage action plan: analysis of opportunities linked to the SDGs, survey of sectors to be excluded from the portfolio, and prioritization of ESG risks.

In order to better understand ESG risks and their impacts, in particular in relation to regulatory non-compliance and compliance with administrative procedures, Orabank has identified the need to better educate its corporate customers and their managers on CSR issues. This led the bank to take steps to help its customers achieve sustainable development, while preventing potential risks. For the first time in 2022, the Group's integrated report incorporated an analysis of the risks and opportunities associated with climate and green growth goals, highlighting the resilience measures implemented to address such risks.

Summary of self-assessment

Does the CEO or other C-suite executives regularly monitor the implementation of the Principles through the bank's governance system?

☒ Yes ☐ No

Does the governance system involve structures to monitor the implementation of the PRB (e.g., including impact analysis and goal-setting, steps to achieve these goals and corrective action processes in the event goals/milestones are not met or if unexpected negative impacts are detected)?

☐ Yes ☒ No

Has your bank implemented steps to promote a sustainable development culture among employees (as described in point 5.2)?

☒ Yes ☐ In progress ☐ No

Principle Transparency and accountability

6:



We will periodically review our individual and collective implementation of these principles, and will be transparent and accountable for our positive and negative impacts and our contribution to the company's goals.

6.1 Insurance

Is the information made public about your PRB commitments covered by an independent insurer?

☒ Yes ☐ Partly ☐ No

If applicable, please include the link or description of the insurers' report.

Answer

Links and references

6.2 Reports on other frameworks

Does your bank disclose sustainability information according to any of the standards and frameworks listed below?

- ☒ GRI
☒ SASB
☐ CDP
☐ IFRS standards on sustainability disclosures (to be published)
☒ TCFD
☒ Other: DEG

Answer:

Links and references

[GRI content index - Orabank](#)

[TCFD index - Orabank](#)

6.3 Outlook

What are the next steps your bank will undertake in the next 12-month reporting period (in particular in connection with impact analysis¹⁴, goal-setting¹⁵, and the governance structure for the implementation of the PRB)? Provide a brief description.

Answer

Links and references

¹⁴ For example, describe plans intended to widen the scope by including areas that were not addressed in the past, or steps designed in aid of portfolio building, context, and performance measurement

¹⁵ For example, outline plans relating to the baseline, set goals for (more) impact areas, set milestones, draw up action plans, etc.

6.4 Challenges

Here is a short section to discover any challenges your bank may be facing in implementing the Principles for Responsible Banking. Your comments will be helpful in putting the collective progress of PRB signatory banks in context.

What challenges have you prioritized in implementing the Principles for Responsible Banking? Please select what, according to you, are the top three challenges your bank has identified over the past 12 months (optional).

If you wish, you may elaborate on the challenges and how you meet them:

- | | |
|---|--|
| <input type="checkbox"/> Incorporating PRB monitoring into governance | <input checked="" type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Creating or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on at the beginning | <input checked="" type="checkbox"/> Availability of data |
| <input checked="" type="checkbox"/> Impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input checked="" type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input checked="" type="checkbox"/> Choosing the right performance measurement methodology(ies) | <input checked="" type="checkbox"/> Reports |
| <input type="checkbox"/> Setting targets | <input checked="" type="checkbox"/> Insurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing internal actions |

If you wish, you may elaborate on the challenges and how you meet them:

Appendix

A set of indicators has been produced for the impact areas of climate change mitigation and financial health and inclusion. Such indicators will help you in your reporting and to show progress against the implementation of the PRB. Banks are expected to set targets for at least two of the most significant impact areas within the first four years of signing the PRB. This means that banks should eventually set targets using impact indicators. Recognizing that banks are at different stages of implementation and at different levels of maturity, and therefore may not be able to report on impact from the outset, a theory of change approach has been used to develop the set of indicators below.¹⁶ The theory of change shows the **path to impact** and considers the relationship between inputs, actions, outputs and outcomes in order to achieve impact. The theory of change for climate change mitigation can be found [here](#), the theory of change for financial health and inclusion can be found [here](#).

How to use it: practice (action, result and outcome) and impact performance need to be understood, as practice is the means to achieve desired impacts (including goals). The theory of change helps to identify metrics and set targets that match a bank's maturity. The indicators below are all linked to a bank's impact and can be seen as steps towards measuring impact. Some of the practice indicators (at action, output, and outcome levels respectively) are linked to portfolio composition and financial targets¹⁷ (highlighted in green) or to customer engagement targets¹⁸ (highlighted in blue), which help achieve your overall goal. If your bank has prioritized climate change mitigation and/or financial health and inclusion as (one of) your most important impact area(s), it is strongly recommended that you report on the indicators in the appendix to measure your performance and baseline.¹⁹ Once the target is defined, you can use the indicators as a guide for your action plan as well as to define key performance indicators (KPIs) that you can then use to measure progress against the set targets.

¹⁶ Banks are not required to work with the theory of change concept internally. In fact, the theory of change has been used to structure the requirements of SMART goal setting using relevant indicators.

¹⁷ Financial goals also target real-economy outcomes, but are not directly expressed as such. Rather, they are shown as financial indicators and metrics, for example, to redirect loan and investment flows to sectors, activities or projects aligned with the SDGs and/or linked to the selected impact area. Banks can also set financial goals for specific types of customer, for example, low-income customers or women entrepreneurs.

¹⁸ Customer engagement goals involve engaging customers and relevant customers to reach your overall target. The aim of customer engagement is to help customers evolve their business models in line with sustainable development goals by strategically supporting them through a variety of customer relationship channels.

¹⁹ You might not be able to report on all indicators and/or practice levels (i.e. from left to right), in which case you will need to report on all indicators applying to the respective practice level, whether an action, a result or an outcome indicator.

- ➔ **If you are a signatory to the Net-Zero Banking Alliance:** please report on climate targets set as required in the [Guidance for Climate Target Setting](#). As a member of the Alliance, you are required to publish the first 2030 targets for priority sectors within 18 months and other sectoral targets within 36 months of signing. You may use the PRB template to disclose the required climate target information if its publication date complies with the timetable committed by the NZBA (Net-Zero Banking Alliance).

- ➔ **For signatories to the Commitment to Financial Health and Inclusion:** please indicate the financial health and/or inclusion targets mentioned as required in the [Statement of Commitment to Financial Health and Inclusion](#). As a signatory to the Commitment, you agreed to set an ambitious SMART target within 18 months of signing. In order to ease the process, please refer to the [Guidance for banks - Financial inclusion and financial health target setting](#) and to the [Basic set of indicators](#) to measure financial health and inclusion. Keep in mind that signatories to the Commitment are encouraged to measure as many indicators as possible from the Basic set or its equivalent in order to set a SMART impact-oriented target.

Impact area	Practice ²⁰ (path to impact)									Impact ²¹		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Possible answers and metrics	Code	Indicator	Possible answers and metrics	Code	Indicator	Possible answers and metrics	Code	Indicator	Possible answers and metrics
A. Climate change mitigation	A.1.1	Climate strategy: Does your bank have a climate strategy?	Yes / In progress / No	A.2.1	Customer engagement process: has your bank set up a customer engagement process in support of their strategy towards a low-carbon business model (corporate customers) or low-carbon practices (retail customers)?	Yes / Design / No ; If your answer is yes: Which clients (type, sector, geography, number of clients, etc.)	A.3.1	Financial volume of green assets/low-carbon technologies: How much does your bank lend/invest in green assets/loans and low-carbon activities and technologies?	bln / mln USD or local currency and/or % of portfolio; please define the green assets and low-carbon technologies used	A.4.1	GHG emissions reduction: by how much have the financed GHG emissions been reduced?	% in time; benchmark emissions and GHG emissions in kg eq. CO ₂ (or applicable measurements) ²²
	A.1.2	Alignment on the Paris Agreement goal: Has your bank set a long-term portfolio-wide Paris Agreement alignment target? When is it expected to reach Net-Zero?	Yes / In progress / No; If your answer is yes: - Specify: when is it expected to reach Net-Zero ? - Baseline emissions / baseline year : What are the baseline emissions	A.2.2	Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your loans and/or investment portfolio?	Total GHG or CO ₂ emissions (Please mention what is currently excluded and why)	A.3.2	Volume of loans/investments in carbon-intensive sectors and activities and transition financing: How much does your bank lend/invest in carbon-intensive sectors	bln / mln USD or local currency and/or % of portfolio	A.4.2	Portfolio alignment: how much of your bank's portfolio is aligned with the Paris Agreement (according to the target set in [A.1.2], i.e. 1.5 or 2 degrees)?	% of portfolio (specify which portfolio; corporate and companies: % of sectors financed)

²⁰ Practice: portfolio composition based on key sectors, customer engagement, relevant policies and processes and, if applicable, advocacy practices

²¹ Impact: actual impact of the bank's portfolio

²² If possible and/or necessary, please put progress in context: GHG emissions may even increase initially because of an extension of the scope of the metrics is extended and cover an increasing proportion of financed emissions in the portfolio, emission factors are updated, etc. When the customers achieve emissions reductions, a decrease in financed GHG emissions should eventually ensue.

			/ baseline year for your target? - Climate scenario used: Which climate scenario(s) aligned with the Paris Agreement climate targets has your bank used?					and activities ²³ ? How much does your bank invest in transition financing ²⁴ ?			
A.1.3	Customer relations policy and process: has your bank implemented rules and processes for customer relations (new and existing customers), to collaborate towards the goal of transitioning customers' activities and business model?	Yes / In progress / No	A.2.3	Sector-specific emissions intensity (by customers' physical production or financial performance): How emissions-intensive is the sector in question?	Specify which sector (depending on the selected sector and/or metrics): kg of CO ₂ e/kWh, CO ₂ e / m ² ; kg of CO ₂ e/USD invested, or kg of CO ₂ e/revenue or profit						
A.1.4	Portfolio analysis: Has your bank analyzed (parts of) its loan and/or investment portfolio in terms of emissions financed (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes / In progress / No; If your answer is yes: specify which parts of the loans/investments portfolio you've analyzed	A.2.4	Share of financed emissions covered by a decarbonization target: What share of your bank's financed emissions is covered by a decarbonization target, i.e. from customers with a transition plan in place?	% (Denominator: denominator: emissions financed within the scope of the target)						

²³ A list of carbon-intensive sectors can be found in the [Guidelines for climate target setting](#).

²⁴ Transition financing is defined as financing the transition to a low-carbon future in alignment with the Paris Agreement climate goals. It involves any forms of financial support for green activities that are not purely recreational, to become greener and reduce emissions.

	A.1.5	Business opportunities and financial products: has your bank developed suitable financial products to support its customers' GHG emissions reduction (such as energy-efficient mortgages, green loans, green bonds, securitizations etc.)?	Yes / In progress / No; Specify which ones, and the financial volume and/or % or portfolio they represent									
B. Financial health	B.1.1 *	# of products and services in the portfolio focused on financial health	Based on in-house data. Measures the number of products and services in the portfolio focused on financial health. We consider a product or service to have this aim when it facilitates decision-making and supports the improvement of financial health according to our definition of financial health. This covers products and services integrated with nudges to simplify decision-making, rounding, high-yield savings accounts, easy investment tools, etc.	B.2.1 *	# of individuals supported by dedicated and effective financial and/or digital education initiatives	Based on in-house data. Measures the number of users (customers and non-customers) of financial and/or digital skill-building initiatives offered by the bank. An initiative includes courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative has been specially created for a defined group of individuals (in many cases a priority group). Effective means that the bank has	B.3.1 *	% of individuals with good and/or very good financial skills	Assessment-based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment method retained by the financial institution. Must be measured on individuals benefiting from the bank's financial education initiatives.	B.4.1	% of customers in good financial health	Based on surveys and/or transactional data. Measures the percentage of customers in good financial health according to the scoring method chosen by the financial institution.

					measured whether the initiative succeeds in generating the desired results of stronger financial skills, and thus everyone supported by the initiative will achieve the desired results. A bank cannot count a click as an individual, so we encourage you to present data in numbers of individuals for anonymized users and in numbers of interactions for anonymized users.							
	B.1.2 *	% of relevant employees supported by effective training on financial inclusion, responsible lending and/or financial health	Based on in-house data. Measures the percentage of relevant employees benefiting from an effective training on financial inclusion, responsible lending and/or financial health. Including training to meet the needs of priority groups. Effective means that the bank has measured whether the initiative succeeds in generating the	B.2.2 *	% of customers actively using online/mobile banking platform/tools	Based on transactional data. Measures the percentage of customers connecting, at least once a month, to one of the following digital platforms (measure those that apply to your bank): Online banking via the Internet and/or cell phone and/or digital tools (including	B.3.2	% of customers who use the bank's services to create a financial action plan with the bank	Based on transactional and/or surveys data. Measures the percentage of customers who create a financial action plan with the bank using the bank's services. A financial action plan is anything that helps the customer strengthen their financial resilience. It is	B.4.2	% of customers whose spending was in excess of 90% of receipts for more than 6 months last year	Based on surveys and/or transactional data. Measures the percentage of customers with a transaction and/or a savings/investment account whose spending exceeded 90% of inflows for more than 6 months of the year during the reporting period, compared with the total number of

			desired results of stronger skills, and thus everyone supported by the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in its training program because of their direct impact on the customers' financial health			financial health tools)			done "with the bank" if the bank can visualize, through the customer's transactions, the results of the plan.			customers in the PRB scope. Focus on the main customers of financial institutions.
	B.1.3	# of active partnerships to achieve financial health and inclusion targets	Based on in-house data. Measures the number of active partnerships underway to achieve financial health and inclusion targets. By active, we mean currently implementing action and generating results. We suggest disclosing partnership outcomes in the commentary section of reports.				B.3.3	% of customers regularly using an overdraft facility	Based on transactional data. Measures the percentage of customers using the overdraft option on their accounts or credit cards on a regular basis. Overdrafts can be used to deal with unforeseen emergencies, but more than a third of the year (banks may override if adequate reasons are provided) indicates regularity and consists in a precursor to deteriorating financial health.	B.4.3	% of customers who feel confident about their financial situation over the next 12 months	Survey-based data. Measures the percentage of customers who responded positively to being confident about their financial situation over the next 12 months, relative to the total number of customers surveyed. By being confident, we mean not feeling worried about their financial situation.

							B.3.4	% of customers with non-performing loans	Based on transactional data. Measures the percentage of customers with loans in arrears ("past due" defined by each bank's policies) relative to the total number of customers with loans in the bank's loan portfolio	B.4.4	% of customers with products linked to long-term savings and investment plans	Based on transactional and/or surveys data. Measures the percentage of customers with products linked to long-term savings and investment plans. "Long-term" will depend on each bank's definition.
							B.3.5	% of customers showing an increase or stability in savings, deposit and/or investment account balances, quarter after quarter.	Based on transactional data. Measures the percentage of customers showing an increase or stability in savings and/or deposit AND/OR investment account balances, quarter after quarter.	B.4.5	% of customers who would have difficulty raising emergency funds or covering a major unexpected expense with an insurance indemnity	Survey-based data. Measures the percentage of customers who would have difficulty raising emergency funds or covering a major unexpected expense with an insurance indemnity. We consider a major unexpected expense to be one that the customer had not foreseen and that would require them to spend more than they have available for non-essential expenses in their monthly budget or 1/20th of the country's gross national income

												(banks may deviate if appropriate reasons are provided). A good example is: unexpected medical bills, a major appliance breakdown, car repairs, etc. Survey based on the question: "If a major unexpected expense arises, how can you cover it immediately?" and give multiple choice options of insurance, emergency fund, loan, credit card, family/friends, etc.
C. Financial inclusion	C.1.1 *	# of products and services in the portfolio focused on financial inclusion	Based on in-house data. Measures the number of products and services in the portfolio focused on financial inclusion. We consider a product or service to have this aim when its design makes it esier for the priority customer to access and use it. For example, a no-fee savings account, low-interest microcredit, offline access or SIM-based banking applications, etc.	C.2.1	# of individuals supported by dedicated and effective financial and/or digital education initiatives	Based on in-house data. Measures the number of users (customers and non-customers) of financial and/or digital skill-building initiatives offered by the bank. An initiative includes courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative has been	C.3.1 *	% of individuals with good and/or very good financial skills	Assessment-based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment method retained by the financial institution. Must be measured on individuals benefiting from the bank's financial education initiatives.	C.4.1	% of customers with 2 or more active financial products from different categories with the bank	Based on transactional data. Measures the percentage of customers with 2 or more active financial products from different categories with the bank. By active, we mean at least one use per month. By category, we mean credit/debt, savings/deposit/p ayment, insurance, investment, etc. Once a target has been set for this

						<p>specifically created for a defined group of individuals (in many cases a priority group). Effective means that the bank has measured whether the initiative succeeds in generating the desired results of stronger financial skills, and thus everyone supported by the initiative will achieve the desired results. A bank cannot count a click as an individual, so we encourage you to present data in numbers of individuals for anonymized users and in numbers of interactions for anonymized users.</p>						<p>indicator, we encourage banks to ensure responsible sales policies or other initiatives so that the target does not become a toxic incentive.</p>
	C.1.2 *	% of relevant employees supported by effective training on financial inclusion, responsible lending and/or financial health	Based on in-house data. Measures the percentage of relevant employees benefiting from an effective training on financial inclusion, responsible lending and/or financial health. Including	C.2.2	% of customers with actual access to a core banking product	Based on transactional data. Measures the percentage of customers with actual access to a core banking product. By actual, we mean use	C.3.2	% of customers supported with dedicated advisory/customer care services	"Based on transactional data. Where dedicated advisory/customer care services are in place for priority groups, this indicator measures the			

			training to meet the needs of priority groups. Effective means that the bank has measured whether the initiative succeeds in generating the desired results of stronger skills, and thus everyone supported by the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in its training program because of their direct impact on the customers' financial health			beyond the first access. Core banking products vary from bank to bank. Good examples are: current accounts, payment accounts, credit cards, savings accounts, deposit accounts, e-money accounts, etc.			percentage of customers using these services. It's Depending on the size of the bank, the number or percentage may be the measurement unit.			
	C.1.3	# of active partnerships to achieve financial health and inclusion targets	Based on in-house data. Measures the number of active partnerships underway to achieve financial health and inclusion targets. By active, we mean currently implementing action and generating results. We suggest disclosing partnership outcomes in the commentary section of reports.	C.2.3	# of new clients per month	Based on transactional data. Measures the number of new customers per month. Once the bank has set a target, this indicator can become a KPI for measuring the percentage of new customers in priority groups, per month.	C.3.3 *	% of customers actively using online/mobile banking platform/tools	Based on transactional data. Measures the percentage of customers connecting, at least once a month, to one of the following digital platforms (measure those that apply to your bank): Online banking via the Internet and/or cell phone and/or digital tools (including financial health tools, if any)			