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Principles for
Responsible Banking

PRB 2022 Report

Vision Bank

Principles of Responsible Banking



Revised version (V2) as of September 2022

Principle 1: Alignment



We will align our business strategy so that it is consistent with and contributes to the needs of people and the goals of society, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high level) your bank's business model, including the main customer segments served, the types of products and services provided, the main sectors and types of activities in the main geographies in which your bank operates or provides products and services. Also quantify information by disclosing, for example, the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e., by balance and/or off-balance sheet), or by disclosing the number of clients and clients served.

Answer

Our business model is oriented towards providing comprehensive financial solutions that adapt to the unique needs of each of our clients. To achieve this, we segment them according to their profiles, preferences, lifestyle, activities, among other relevant aspects, which allows us to offer them products and services that contribute to improving the quality of life and increasing their business.

Links and references

See Sustainability Report 2022.

Page 47.
Commercial Strategy, Banking

Page 180, 182
Loan portfolio by sectors and banks.

Page 10 Linking the SDGs with the strategic objectives and material issues.

p.35
Sustainability Vision.

Page 37
Commitment to the SDGs.

Strategy Alignment

Does your corporate strategy identify and reflect sustainability as a strategic priority(s) for your bank?

☒ Yeah

☐ No

Please describe how your bank has aligned and/or plans to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

We align our strategy with the Sustainable Development Goals (SDG) by identifying contribution opportunities from our corporate management.

Based on the analysis of our strategic objectives, we identify the economic, social and environmental aspects that could positively or negatively influence our ability to put our vision and strategy into practice.

The way in which we integrate sustainability principles into our management translates into policies and processes that are transversal to all business areas and impact the way we relate to all our stakeholders.

Does your bank also reference any of the following sustainability reporting regulatory frameworks or requirements in its strategic or policy priorities to implement them?

☒ UN Guiding Principles on Business and Human Rights.

☐ Fundamental Conventions of the International Labor Organization.

☒ UN Global Compact.

☐ UN Declaration on the Rights of Indigenous Peoples.

☒ Any applicable regulatory reporting requirements on environmental risk assessments, for example on climate risks; specify which ones:

BCP Resolution No. 8, which guides the development and implementation of the Environmental and Social Risk Analysis Systems (SARAS) for the supervised institutions.

☐ Any applicable regulatory reporting requirements on social risk assessments, for example on modern slavery; specify which ones: -----

☐ None of the above.

Answer

Yes, within the Strategic Plan, Sustainability is an issue that is explicitly contemplated and a transversal pillar.

Links and references

Principle 2: Impact and goal setting



We will continually increase our positive impacts while reducing negative impacts and managing risks to people and the environment. We will set and publish targets where we can have the most significant impacts as a result of our activities, products and services. To this end,

2.1 Impact analysis (Key Step 1)

Show that your bank has conducted an impact analysis of your portfolio to identify your most significant areas of impact and determine priority areas for target setting. The impact analysis will be updated regularly.¹and meet the following requirements/elements (ad)²:

a) Scope: What is the scope of your bank's impact analysis? Describe which parts of the bank's core business areas, products/services in the main geographies in which the bank operates (as described in 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included and why.

Answer:

Within the framework of adherence to the Commitment to Climate Change (3C) initiative, the bank has carried out, with the support of the Global Alliance for Banking on Values (GABV) and PCAF technical experts, an environmental impact analysis to measure the Footprint of the loan portfolio at the end of December 2021. Which took into account the total amounts of outstanding loans (balance of the portfolio) to companies by sector and legal entities.

The total outstanding loan amounts were provided, broken down by ISIC sector/subsector code of the business that has received the loan.

The sectors with the highest absolute financed issuances of scope 1+2 are:

1.The ISIC wholesale and retail trade sector has the second highest absolute emissions. It has the highest financial exposure of 52%.

2.The ISIC agriculture, livestock, forestry and fishing sector has the highest and majority absolute emissions in the portfolio, but only has a 6% financial exposure.

Although the ISIC wholesale and retail trade sector does not have particularly high intensities, it still constitutes a strong part of the financed issuances given the high financial exposure that Visión Banco has to the sector.

In addition, the bank is carrying out the Impact Analysis in the format recommended by UNEP-FI, which will be completed approximately in May 2023.

Links and references

Portfolio emissions analysis report

<https://drive.google.com/drive/u/0/folders/1JsM2ziXL4JgwqswLfkQoTPo57yh7fO1>

b) Portfolio Composition:Has your bank considered the composition of your portfolio (in %) in the analysis? Provide the proportional composition of your portfolio globally and by geographic area

i) by sectors and industries³for commercial, corporate and investment banking portfolios (ie sector exposure or breakdown by industry in %), and/or

ii) by products and services and by types of customers for consumer banking and retail banking portfolios.

If your bank has taken another approach to determining the bank's scale of exposure, please explain how you have considered where the bank's main activities/core businesses lie in terms of industries or sectors.

Answer: Yes, the analysis was carried out by economic sectors and based on CIUU coding, Version 4.

Links and references

Portfolio emissions analysis report

¹This means that where the initial impact analysis has been carried out in an earlier period, the information must be updated accordingly, the scope must be expanded, and the quality of the impact analysis must improve over time.

²More guidance can be found in the [Interactive guidance on impact analysis and goal setting](#).

³ 'Key sectors' in relation to different areas of impact, ie those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

	https://drive.google.com/drive/u/0/folders/1JsM2ziXL4JgwqsWL_fkQoTPo57yh7fO1
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c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how they have been considered, including the stakeholders you have involved to help inform this element of the impact analysis.

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

Answer:	Links and references
<p>According to the study carried out by the Ministry of the Environment and Sustainable Development (MADES), the livestock and agriculture sectors are the main source of emissions in the country, with 50.20% of the total.</p> <p>Although the CIUU agriculture, livestock, forestry and fishing sector has the highest and majority absolute emissions in the portfolio, it only has a 6% financial exposure in the Bank's portfolio.</p> <p>We also have SARAS at the bank, which at the end of 2021 shows that 98% of our portfolio has low environmental risk.</p> <p>In Paraguay, one of the main challenges in terms of Sustainable Finance is Financial Inclusion, according to the report "Financial Capacities, Inclusion and Vulnerability in Paraguay", prepared by the Development Bank of Latin America (CAF) 2021.</p> <p>We respond to the challenge of inclusion through our inclusive products such as: Savings banks for children and young people, students, entrepreneurs, retirees, and a special line of solutions for women. In addition, we provide financial options to meet needs such as: Home loans, Loans at the Touch, Basic Account and Programmed Savings with the aim of contributing to improving your quality of life.</p> <p>VIPAY, an electronic wallet that has inclusive basic accounts and grants credit and prepaid cards, as well as access to digital payment platforms.</p> <p>These products have allowed the inclusion of 609,736 basic savings accounts in the financial system at the end of 2022.</p>	<p>CAF report bit.ly/40YNEuJ</p> <p>SDG Performance Dashboard https://www.mre.gov.py/ods/</p> <ul style="list-style-type: none"> • Public Policies on Climate Change http://dncc.mades.gov.py/politicas-publicas-de-cambio-climatico • The National Climate Action Plan http://dncc.mades.gov.py/wp-content/uploads/2020/09/Estrategia-Nacional-de-Mitigaci%C3%B3n-al-Cambio-Climatico.pdf • Nationally Determined Contributions of Paraguay http://dncc.mades.gov.py/ndcs-de-la-republica-del-paraguay <p>http://www.mades.gov.py/actualizacion-de-las-contribuciones-nacionalmente-</p>

⁴Alternatively, global priorities could be considered for banks with highly diversified international portfolios.

	<p><u>determinadas-ndc-de-paraguay/</u></p> <p>• <i>National Reports to the United Nations Framework on Climate Change (UNFCCC)</i> <u>http://dncc.mades.gov.py/reportes-nacionales</u></p>
<p>Based on these first 3 elements of an impact analysis, what areas of positive and negative impact has your bank identified? What (at least two) significant impact areas did you prioritize to follow your target setting strategy (see 2.2)?⁵ Please disclose.</p>	
<p>Answer:</p> <p>Based on the information available, we have identified the following areas of impact:</p> <p>Positive: Financial inclusion, Financial education.</p> <p>Negative: Although we have identified areas of negative impact, their proportion within the portfolio is negligible (less than 6%).</p>	<p>Links and references</p>
<p>d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors and industries, as well as the types of clients financed or invested in, are causing the strongest positive or negative real impacts? Describe how you evaluated their performance, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>When determining priority areas for target setting among your most significant impact areas, you should consider the bank's current performance levels, that is, qualitative and/or quantitative indicators and/or indirect indicators of social, economic, and environmental impacts. resulting from the bank's activities and supply of products and services. If you have identified climate and/or health and financial inclusion as your most significant impact areas, please also refer to the corresponding indicators in the <u>exhibit</u>.</p> <p>If your bank has taken another approach to assess the intensity of the impact resulting from the bank's activities and the provision of products and services, please describe it.</p> <p><i>The output of this step will also provide the baseline (including indicators) that you can use to set targets in two areas of most significant impact.</i></p>	
<p>Positive Impact Response: Financial inclusion, financial education, responsible management of collaborators. The sector that has benefited the most from Financial Inclusion has been MSMEs.</p> <p>Negative Impact: Although we have identified areas of negative impact, their proportion within the portfolio is negligible (less than 6%). The areas are:</p>	<p>Links and references</p>

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

Self-Assessment Summary:

Which of the following components of the impact analysis has your bank completed to identify the areas where your bank has its most significant (potential) positive and negative impacts?⁶

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

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

Climate change mitigation, resource efficiency, financial health and inclusion.

How recent is the data used and disclosed in the impact analysis?

- ☐ Up to 6 months before publication
- ☐ Up to 12 months before publication
- ☒ Up to 18 months before publication
- ☐ Lmore than 18 months before publication

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

⁶You can answer "Yes" to a question if you have completed one of the steps described, eg initial impact analysis has been carried out, a pilot has been carried out.

2.2 Setting Goals (Key Step 2)

Show that your bank has established and published a minimum of two targets that address at least two different areas of most significant impact that you identified in your impact analysis.

the objectives⁷ they have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Limited in time (SMART). Disclose the following elements of the goal (ad) configuration, for each goal separately:

- a) **Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Demonstrate that the selected indicators and targets are linked to and drive alignment and further contribution to the appropriate Sustainable Development Goals, Paris Agreement targets and other relevant international, national or regional frameworks.

It can be based on the context elements of 2.1.

Answer:

Links and references

Measurement of CO₂ emissions from the loan portfolio and the Bank's carbon footprint.

- b) **Base:** Have you determined a baseline for the selected indicators and assessed the current level of alignment? Indicate the indicators used, as well as the year of the baseline.

You can build on the performance measurement done in 2.1 to determine the baseline for your goal.

A package of indicators for climate change mitigation and financial health and inclusion has been developed to guide and support banks in their target setting and implementation process. The overview of the indicators can be found in the [exhibit](#) of this template.

If your bank has prioritized climate mitigation and/or health and financial inclusion as (one of) its most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like the one below that includes the area of impact, all relevant indicators and the corresponding indicator codes:

impact area	indicator code	Answer
Climate change mitigation	Portfolio issues	
	bank issues	
	...	

impact area	indicator code	Answer
Financial health and inclusion	Scope of activities	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards the impact-driven objectives, please disclose these.

Answer

Links and references

c) SMART goals(including key performance indicators (KPIs)⁹): Indicate the objectives for the first and second most significant impact areas, if they already exist (as well as other impact areas, if they exist). What KPI are you using to monitor progress toward achieving the goal? Please disclose.

Answer:

We have not yet identified the objectives, we are currently in the process of preparing the Impact Matrix, according to the model provided by UNEP_FI.

Links and references

d) Action plan:What actions, including milestones, have you defined to meet the established objectives? Please describe.

Also demonstrate that your bank has analyzed and recognized significant (potential) indirect impacts of the objectives set within the impact area or other impact areas and has established relevant actions to avoid, mitigate or offset potential negative impacts.

Answer

We have not yet identified the objectives, we are currently in the process of preparing the Impact Matrix, according to the model provided by UNEP_FI.

Links and references

Self-Assessment Summary

Which of the following components of goal setting in line with PRB requirements has your bank completed or is currently undergoing an assessment process for your...

	... first area of most significant impact: ... Portfolio issues	... second area of most significant impact: ... Financial Education	...its third (and subsequent) area of impact: ... bank issues
Alignment	<input checked="" type="checkbox"/> Yeah <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yeah <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yeah <input type="checkbox"/> In progress <input type="checkbox"/> No
Base	<input checked="" type="checkbox"/> Yeah <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yeah <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yeah <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART goals	<input type="checkbox"/> Yeah <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yeah <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yeah <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yeah	<input checked="" type="checkbox"/> Yeah	<input type="checkbox"/> Yeah

⁷Operational targets (related, for example, to water consumption in office buildings, gender equality on the bank's board of directors, or greenhouse gas emissions related to business travel) are not within the scope of the PRB.

⁸Your bank must consider the main challenges and priorities in terms of sustainable development in its main countries of operation in order to set targets. These can be found in national development plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Alignment means that there must be a clear link between the bank's goals and these frameworks and priorities, thus showing how the goal supports and drives contributions to national and global goals.

⁹Key performance indicators are indicators chosen by the bank for the purpose of monitoring progress towards objectives.

	<input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
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2.3 Implementation and monitoring of objectives (Key Step 2)

For each goal separately:

Demonstrate that your bank has implemented the actions that you had previously defined to meet the established objective.

Report on your bank's progress since the last report towards achieving each of the stated targets and the impact your progress had, using the indicators and KPIs to monitor progress that you have defined in 2.2.

Or, in case of changes in implementation plans (relevant only for the second and subsequent reports): describe potential changes (changes in priority impact areas, changes in indicators, acceleration/revision of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Answer

The milestones and the triple line of results are expressed at the beginning of each chapter of the 2022 Sustainability Report.

The summary of the main achievements can be found on page 15.

The Bank uses the evaluation and impact methodology within the framework of the Global Reporting Initiative (GRI).

After receiving training on the UNEP-FI Impact Measurement Tool, the next step will be to implement this methodology. And based on this, establish and implement objectives in a minimum of two areas.

Links and references

Page 15
Chapter Profile
The bank in numbers.

Principle 3: Clients and Clients



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

3.1 Customer Commitment

Does your bank have a customer and customer engagement policy or process?¹⁰ in place to encourage sustainable practices?

☒ Yeah ☐ In progress ☐ No

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

☐ Yeah ☐ In progress ☒ No

Please describe how your bank has worked and/or plans to work with its customers and customers to encourage sustainable practices and enable sustainable economic activities.¹¹). It should include information on relevant policies, actions planned/implemented to support client transition, selected indicators on client engagement and, where possible, impacts achieved.

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

Answer:

Our customers are the center of our management and their satisfaction is key to establishing and maintaining long-term business relationships. We work to satisfy their needs by providing them with products and services that allow them to project a better future, through a wide portfolio of financial solutions.

In 2021 we strengthened our digital presence by offering our clients 100% digital self-managing comprehensive solutions through our Digital Vision platform, which allowed them not only to access the bank's offer without time and space limitations, but also to promote their economic development. .

Our many digital solutions have allowed us to be accessible, even in the face of physical limitations. We add value through our offer of alternative channels that include the extensive network of non-banking Agents, tausers, ATMs and Smart Cash teams, cash depositors with immediate accreditation.

We consolidate our commercial strategy with the aim of providing a value proposition appropriate to each need.

And within the framework of the responsibility for our products and services, we take care of clients from their potential impacts through a comprehensive strategy that allowed us to honor their trust.

Links and references

Pages 46 to 79
Customers Chapter

Product liability.

Financial Education
Program and Customer
Protection Program.

	<p>Pages 208-209 <i>Chapter Risks</i> Environmental and Social Risk</p>
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3.2 Business opportunities

Please describe what strategic business opportunities in relation to increasing positive impacts and reducing negative impacts your bank has identified and/or how it has worked on them in the reporting period. Please provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a percentage of your portfolio, and on which SDGs or impact areas you are striving to make a positive impact (eg. e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Answer	Links and references
<p>We are a pioneer bank in promoting financial inclusion in the country, we provide access to financial services and help clients understand that their proper use is essential to build a better and more inclusive society.</p> <p>Through our Financial Education Program, we promote bank access, financial health and responsible management of the financial products and services we offer, based on access to information on their proper use.</p> <p>We have a Comprehensive Client Protection Program, which includes an exclusive area dedicated to the Financial Client Ombudsman; as well as the implementation of quality practices in customer service.</p> <p>Sustainable Finance</p> <p>Through the Environmental and Social Risk Analysis System (SARAS) we efficiently determine, assess and manage potential risks in the activities and projects that we support with financing.</p> <p>This allows a better understanding of the client's activity, a greater approach and knowledge of their environmental practices and regulatory compliance.</p> <p>Environmental and Social Risk</p> <p>Our risk management and control model is one of the main pillars of contribution to sustainable economic growth. This is achieved by promoting the protection and conservation of the environment and the defense of human rights.</p> <p>This principle of responsibility includes considering environmental and social risks in credit risk analysis.</p> <p>The Environmental and Social Risk Analysis System (SARAS) that we use allows us to adequately identify, evaluate and manage this type of risk that the activities and projects we finance could generate.</p> <p>With the use of SARAS, we classify our portfolio, according to the level of socio-environmental risk that the request represents, both in new credits and in</p>	<p>Pages 46 to 79 Customers Chapter</p> <p>Product liability.</p> <p>Financial Education Program and Customer Protection Program.</p>

¹⁰A customer relationship process is a process of supporting customers towards the transition of their business models in line with sustainability objectives, strategically accompanying them through a variety of customer relationship channels.

¹¹Sustainable economic activities promote the transition towards a low carbon economy, more efficient in the use of resources and sustainable.

renewals or line increases, provided that the client's profile is within the established parameter.

This system allows us to promote better productive practices in companies and identify financing opportunities and new businesses with attributes focused on solving environmental and social problems.

Pages 208-209
Chapter Risks
Environmental and Social
Risk

Principle 4: Concerned parties



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve societal objectives.

4.1 Identification and consultation of interested parties

Does your bank have a process for regularly identifying and consulting with, engaging, collaborating and partnering with stakeholders (or stakeholder groups)?¹² that you have identified as relevant in relation to the impact analysis and goal setting process?

☒ Yeah ☐ In progress ☐ No

Describe which stakeholders (or stakeholder groups/types) you have identified, consulted, engaged, collaborated or associated with for the purpose of implementing the Principles and enhancing the impacts of your bank. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved, and how they were incorporated into the action planning process.

Answer

Periodically we carry out a dialogue with the different interest groups of the bank, which added to the analysis of the sustainability context and the identification of the main impacts of our operation result in material issues.

Links and references

Page 8 and 9
Chapter Profile
The participation of interest groups, as well as the identification of primary and secondary interest groups.

¹²Such as regulators, investors, governments, suppliers, consumers and clients, academia, civil society institutions, communities, representatives of the indigenous population and non-profit organizations.

Principle 5: Governance and Culture



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

5.1 Governance Structure for the Implementation of the Principles

Does your bank have a governance system that incorporates the PRB?

☒ Yeah ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures that your bank has in place or plans to put in place to manage significant positive and (potential) negative impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility for the sustainability strategy, as well as the approval and monitoring of the objectives (including information on the highest level of government to which the PRB is subject),
- details about the chair of the committee and the process and frequency for the board to oversee the implementation of PRBs (including corrective actions in case objectives or milestones are not met or unexpected negative impacts are detected), as well as
- remuneration practices linked to sustainability objectives.

Answer

Our constant commitment to the incorporation of high corporate governance standards responds to the objective of ensuring and supporting our institutional solidity, providing reliability and in our management to all our stakeholders. To this end, we continuously implement actions that promote transparency, ethical behavior, internal control, and risk management across our operations.

We have an Annual Corporate Governance Plan that provides a roadmap to meet local requirements and incorporate best practices in this area, which is proposed by the Corporate Governance Committee and approved by the Board of Directors.

Year after year we strengthen our corporate governance management following the recommendations provided by the Development Bank of Latin America (CAF), through a voluntary evaluation to which we had submitted.

In 2021 we made progress by strengthening the role of the Secretary of the Board of Directors, which contributes to organizing the content and times with which the information reaches the members of the Board; ensure the follow-up of its annual agenda; monitor the execution of the annual plan and the decisions of Corporate Governance, taken at each meeting of the Board of Directors.

In terms of transparency, we further strengthened communication with Shareholders through a renewed exclusive site and generating a new report on the bank's performance, in digital and audiovisual format to provide them with relevant information.

Another advance was the revision of the Corporate Bylaws, from which we introduced the figure of dematerialized shares, in order to favor transaction operations through the Stock Market and Products of Asunción SA

We made the first issuance of the Preferred class shares in the book-entry format.

Links and references

P.16 to 24
Chapter Profile

Corporate governance, summary of good practices, structure, government and administration bodies, among others.

<h2>5.2 Fostering a responsible banking culture:</h2> <p>Please describe your bank's initiatives and measures to foster a culture of responsible banking among its employees (for example, skills development, e-learning, sustainability trainings for customer service roles, inclusion in compensation structures and performance management and communication leadership, etc.).</p>	
<p><i>Answer</i></p> <p>Promotion of Banking with Values in the financial sector: Global Alliance for Banking with Values, UNEP-FI Members, Sustainable Finance Table (MFS).</p> <p>We carry out internal and external communication campaigns to promote Responsible Banking.</p> <p>Compensation Policy Board of Directors, Executive Board and Collaborators.</p>	<p><i>Links and references</i></p> <p>Page 40 and 41 <i>Chapter Profile</i> Promotion of banking with values.</p> <p>p.26</p>
<h2>5.3 Due diligence policies and processes</h2> <p>Does your bank have policies that address environmental and social risks within its portfolio?¹³Please describe.</p> <p>Please describe what due diligence processes your bank has in place to identify and manage environmental and social risks associated with your portfolio. This may include aspects such as the identification of significant or outstanding risks, the mitigation of environmental and social risks and the definition of action plans, the monitoring and reporting on risks and any existing grievance mechanisms, as well as the structures of governance it has to oversee these risks.</p>	
<p><i>Answer</i></p> <p>We have a specialized team that makes up the Sustainable Development area, dependent on the General Management.</p> <p>The Environmental and Social Risk Analysis System (SARAS) that we use allows us to adequately identify, evaluate and manage this type of risk that the activities and projects we finance could generate.</p> <p>With the use of SARAS, we classify our portfolio according to the level of socio-environmental risk that the request represents, both in new loans and in renewals or line increases, provided that the client's profile is within the established parameter..</p>	<p><i>Links and references</i></p> <p>Page 35 Vision of sustainability</p> <p>Page 191 – 209 Chapter Risks Environmental and Social Risks</p>

¹³Applicable examples of policy types are: exclusion policies for certain sectors/activities; zero deforestation policies; zero tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistleblowing policies, etc., or any applicable national guidelines related to social risks.

Self-Assessment Summary

Does the CEO or other high-level officials regularly monitor the implementation of the Principles through the bank's governance system?

☒ Yeah
 ☐ No

Does the governance system include structures to oversee PRB implementation (for example, does it include impact analysis and target setting, actions to achieve these targets, and corrective action processes in case targets/milestones are not met or detected? unexpected negative impacts)?

☒ Yeah
 ☐ No

Does your bank have measures to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yeah
 ☐ In progress
 ☐ No

Principle 6: Transparency and Responsibility



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 goals of society.

6.1 Warranty

Has this publicly disclosed information about your PRB commitments been insured by an independent insurer?

☐ Yeah ☐ Partially ☒ No

If applicable, please include the link or description of the warranty statement.

Answer

No, but it will be verified in the future.

Links and references

6.2 Reports on other frameworks

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

- ☒ GRI
☐ SASB
☐ CDP
☐ IFRS Sustainability Disclosure Standards (to be published)
☐ TCFD
☐ Other:

Answer

Links and references

6.3 panorama

What are the next steps your bank will take in the next 12 month reporting period (particularly in the impact analysis)¹⁴, goal setting¹⁵ and governance structure to implement the PRB)? Please describe briefly.

Answer

Work to make the required information available, carry out the impact analysis according to the model provided, establish the objectives and goals.

Links and references

¹⁴For example, outlining plans to increase scope by including areas not yet covered, or planned steps in terms of portfolio composition, context, and performance measurement.

¹⁵For example, outline plans for baseline measurement, develop targets for (more) areas of impact, set interim targets, develop action plans, etc.

6.4 challenges

Here is a short section to learn about the potential challenges your bank is facing with regard to implementing the Principles for Responsible Banking. Your feedback will be helpful in contextualizing the collective progress of PRB signatory banks.

What challenges have you prioritized addressing when implementing the Principles for Responsible Banking? Choose what you consider to be the top three challenges your bank has prioritized addressing in the last 12 months (optional question).

If you wish, you can elaborate on the challenges and how you are addressing them:

- | | |
|---|--|
| <input type="checkbox"/> Mainstreaming PRB Oversight into Governance | <input type="checkbox"/> Engagement with the client |
| <input type="checkbox"/> Gain or maintain momentum in the bank | <input type="checkbox"/> Stakeholder participation |
| <input type="checkbox"/> Getting started: where to start and what to focus on at first | <input checked="" type="checkbox"/> Data availability |
| <input checked="" type="checkbox"/> Carrying out an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input checked="" type="checkbox"/> Assessment of negative environmental and social impacts | <input type="checkbox"/> access to resources |
| <input checked="" type="checkbox"/> Choosing the right performance measurement methodology(ies) | <input type="checkbox"/> Reports |
| <input checked="" type="checkbox"/> To establish objectives | <input type="checkbox"/> Warranty |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritize actions internally |

If you wish, you can elaborate on the challenges and how you are addressing them:

exhibit

A set of indicators has been produced for the impact areas of climate mitigation and health and financial inclusion. These indicators will help you in your reporting and in showing progress in PRB implementation. Banks are expected to set targets that address a minimum of two most significant impact areas within the first four years after signing the PRB. That means Ultimately, banks must set targets using impact indicators. Recognizing the fact that banks are at different stages of implementation and at different levels of maturity and therefore may not be able to report on impact early on, 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 results to achieve impact. The Theory of Change for climate mitigation can be found [here](#), the Theory of Change for financial health and inclusion can be found [here](#).

How to use: Both practice (action, result and product) and impact performance must be understood because practice is the conduit to achieve desired impacts (including objectives). The Theory of Change allows identifying metrics and establishing objectives that are aligned with the maturity of a bank. All of the indicators below are related to the impact of a bank and can be considered as steps towards measuring impact. Some of the practice indicators (at the action, output and outcome levels, respectively) are connected to portfolio composition and financial objectives¹⁷ (highlighted in green) or customer commitment¹⁸ objectives (highlighted in blue), which enable its general objective. If your bank has prioritized climate mitigation and/or health and financial inclusion as (one of) its most significant impact areas, it is strongly recommended to report on the indicators in the Annex to measure its performance and baseline.¹⁹ Once you've set the goal, you can use the indicators to guide your action plan, as well as define key performance indicators (KPIs) that you can then use to measure progress against the set goals.

¹⁶Banks are not required to work internally with the concept of Theory of Change. In fact, the Theory of Change has been used to structure the requirements for setting SMART objectives using relevant indicators.

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

¹⁸Customer engagement goals involve engaging relevant customers and clients to enable your overall goal. The purpose of customer engagement is to support customers in the transition of their business models in accordance with sustainability goals, strategically accompanying them through a variety of customer relationship channels.

¹⁹You may not be able to report on all indicators and/or practice levels (i.e., from left to right), in which case you should report on all applicable indicators at the respective practice level regardless of whether it is an action, result or result indicator.

- **For signatories to the Net-Zero Banking Alliance:** report on climate targets set as required in the [Guidelines for Setting Climate Goals](#). As a member of the Alliance, you must publish the first 2030 targets for priority sectors within 18 months and other sector targets within 36 months of signing. You can use the PRB template to disclose the required climate target information if your release date is in line with the NZBA committed time frame.
- **For Signatories of the Collective Commitment for Health and Financial Inclusion:** report on the financial health and/or financial inclusion objectives established as required in the [Statement of Commitment to Inclusion and Financial Health](#). As a signatory to the Pledge, you have agreed to set an ambitious SMART goal within 18 months of signing. To make your process easier, see the [Guidance on Setting Goals for Financial Health and Inclusion](#) and the [basic indicators](#) to measure financial health and inclusion. Please note that signatories to the Pledge are encouraged to measure as many indicators as possible from the Core Set or its equivalent in order to set a SMART impact-driven target.