



Reporting and Self-Assessment Template

Principles for Responsible Banking

Banco Regional de Desenvolvimento do Extremo
Sul - BRDE

1st Monitoring Report



September, 2025

Principle 1: Alignment



We will align our business strategy so that it is consistent with and contributes to the needs of individuals and the goals of society as envisaged 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, types of products and services provided, the main industries and types of activities in the main geographies in which your bank operates or provides products and services. Also quantify the information by disclosing, for example, the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e., by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

BRDE is a financial institution that drives regional development that promotes and carries out development actions that lead to economic and social progress, through planning, institutional and credit technical support, in addition to other incentives through fund management, whether its own or third parties. Its scope of action is the three southern states of Brazil that provided it with capital, Rio Grande do Sul, Santa Catarina and Paraná, plus Mato Grosso do Sul, which is also part of the Southern Development and Integration Council – CODESUL.

BRDE's credit portfolio is where almost all of its operating revenue comes from. It consists of long-term financing lines, aimed at sustainable development and the promotion of productivity in projects that promote positive impacts on society. Its mandate is quite broad, covering all sectors of primary production, services and industry, fostering innovation, developing rural and urban micro and small enterprises, strengthening agro-industrial cooperativism, improving municipal infrastructure and public services, except those provided directly or by companies belonging to state governments. Our active portfolio is present in 1,148 (96%) municipalities in the three southern states.

The 2024 data represent well the placement and origination of financial resources today. This year, almost \$6 billion were contracted in credit operations, 75% in operations directly carried out and 25% with the intermediation of operating partners, credit unions. The largest volume of credit was allocated to agribusiness (47%), of which R\$1.6 billion was invested in agro-industrial cooperatives whose benefit multiplies directly to the entire production chain composed of thousands of small rural producers, and another R\$1.2 billion was invested directly to rural producers. The manufacturing industry received 23%, Micro and Small Enterprises (MSEs) 14%, city halls 8%, and the services sector 8%. Part of the industry (about 30%) and services (about 50%) financed are dedicated to activities related to agribusiness.

Considering the number of contracts made, 78.2% of the number of contracts were made directly with rural producers, mostly small producers (including family farming), and 18.7% represent the number of contracts with SMEs. With medium and large companies, 2.8% of the contracts were made and city halls represent 0.2%.

The funds originate from several sources: 52.7% of the BNDES System (includes FINAME); 14.6% of own resources; 12.6% FINEP; 11.6% multilateral and international agencies; 2.9% Caixa Econômica Federal; 2.9% Ministry of Tourism; 2.3% Constitutional Fund of the Midwest; 0.4% FUNCAFÉ. This characterizes a transfer entity mainly of funds originating from institutions that have specific

Memorandum of Association:

[ATOS-CONSTITUTIVES-E-SYSTEM-CODESUL-BRDE-version-signed.pdf](#)

Administrative Regiment:

[Regimento-Administrativo.pdf](#)

2024 Annual Report:

[BRDE_RA_2024-MIOLO-INGLES-0506-rev2.pdf](#)

or

[Relatorio-de-Administracao-e-Socioambiental-2024-2.pdf](#)

Service Letter:

<https://www.brde.com.br/wp-content/uploads/2025/05/CART-A-DE-SERVICOS-BRDE-2025.pdf>

Financial Statement Dec/24:

<https://www.brde.com.br/wp-content/uploads/2025/06/BRDE-Financial-Statements-Dec2024-final-1.pdf>

guidelines for the placement of credit. Our services and financing conditions are linked to the conditions of the institutions from which the resource originates.

The provision of technical assistance strengthens the structuring of projects, including those focused on energy and innovation in municipalities, especially in supporting the structuring of Public-Private Partnerships - PPPs.

BRDE acts as a financial agent for the Audiovisual Sector Fund (FSA), which aggregates federal public resources to promote the film and audiovisual industry throughout Brazil. Participation in Participation Investment Funds (FIP) directs resources to innovative projects and companies for the region. The Bank also encourages the regional innovation ecosystem through the BRDE Labs program, establishing partnerships with local agents. The Social and Environmental Fund is formed by its own resources from the annual financial result and destined to the financial support of social and environmental projects through specific notices. Income from fund management does not represent 5% of income from credit operations.

Strategy alignment

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

☒ Yes

☐ No

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

United Nations Guiding Principles on Business and Human Rights ☐

Fundamental Conventions of the International Labour Organization ☐

☒ UN Global Compact

United Nations Declaration on the Rights of Indigenous Peoples ☐

☐ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - specify which: -----

☐ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which: -----

☐ None of the above

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.

The alignment with the Sustainable Development Goals and the Paris Agreement, as well as the strategies and public policies related to Social, Environmental and Climate Responsibility (RSAC) of BRDE is done at different levels, strategic and tactical. At the highest level are publicly made commitments, Strategic Planning, and internal policies and action plans. At the tactical level, there are several instruments, some already in operation and others still under development, that allow the management of RSAC by the Board and Agencies. Sustainability is a vocation already expressed by the challenges proposed in the BRDE constitution - mobilizing resources from various sources to promote the development of the region, mainly supporting the modernization and diversification of local productive sectors where private financial institutions are unable to achieve. Even before the formalization of strategies and commitments in RSAC, BRDE was already a pioneer in financing the national wind sector, circular economy, waste management, cooperativism and in several other areas.

Covenants, Agreements and Undertakings:

<https://www.brde.com.br/responsabilidade-socioambiental/pactos-acordos-e-compromissos/>

Annual Letter 2025:

https://www.brde.com.br/wp-content/uploads/2025/05/CARTA-ANUAL_2025.pdf

Social, Environmental and Climate Responsibility Policy:

The main terms of adherence to international and local BRDE initiatives for the theme are: (I) Global Compact, (II) UNEP-FI Principles of Banking Responsibility; (III) LIFE Business Coalition on Biodiversity. In addition to these, the partnerships established with international and multilateral credit agencies have advanced several themes based on an international benchmark.

The BRDE Strategic Planning includes eight Strategic Objectives, of which we highlight two directly aligned with the RSAC themes:

(i) **Support for Sustainable Development**, according to which the Bank must significantly promote, through credit and services, sustainable development by providing resources (a) in a significant volume; (b) under appropriate financial conditions, and (c) that promote sustainable development, with reference to the goals of the 2030 Agenda. The indicator of this objective is the amount financed by BRDE Banco Verde and social impact measures.

(II) **Social, Environmental and Climate Responsibility and the 2030 Agenda**, according to which the Bank must promote initiatives that raise the social, environmental and climate performance of BRDE in its activities, processes, products and integrating stakeholders, aligning them with the objectives of the Global Compact and the UN 2030 Agenda, both internally of the organization and externally, interacting with the various instances of society with which BRDE interacts. The strategic indicator for this objective is the percentage of adherence of financing contracts to the SDGs.

As for the highest level regulations, there are two especially important ones: (i) the Social, Environmental and Climate Responsibility Policy and its Multiannual Plan (PPA); and (ii) BRDE Banco Verde, which includes commitments to credit operations and financial support through Green Fund notices.

At the tactical level, some instruments were developed that will make the strategic plan effective: (a) BRDE Banco Verde specific credit lines; (b) Green Fund; (c) alignment of operations with the SDGs; (d) SARSAC; (e) estimation of financed, avoided and removed emissions; (f) integration of effectiveness indicators; (g) ESG maturity portal; (h) Life Key.

BRDE Banco Verde: set of financing lines from different origins, specialties and with specific conditions for low carbon and social financing.

Green Background: Fund composed of resources from the annual profit to support social and environmental projects through specific notices.

Operations ODS alignment: Systematics created to identify the alignment of the portfolio of financed projects with the Sustainable Development Goals, covering one hundred percent of the annual portfolio.

SARSAC: System created for evaluation and Management of Social, Environmental and Climate Risk of financing operations.

AKVO Platform: Platform for estimating emissions financed from the PCAF methodology, avoided emissions and removals (under development).

Effectiveness Indicators: structuring of result indicators to increase transparency about the benefits provided by projects financed in the Southern Region.

ESG Maturity Portal: BRDE's relationship with stakeholders to multiply the ESG culture, especially for its network of (developing) borrowers.

LIVE Key: A web platform used by BRDE that centralizes all information regarding BRDE's relationship with biodiversity, such as Business and Biodiversity management indicators, data for calculating the Biodiversity Pressure Index (IPB) and Positive Biodiversity Performance (DPB).

<https://www.brde.com.br/wp-content/uploads/2023/05/BRDE-Res-2736-PRSAC.pdf>

Global Compact:

<https://unglobalcompact.org/what-is-gc/participants/38541-Banco-Regional-de-Desenvolvimento-do-Extremo-Sul-Brde>

LIFE Biodiversity Business Coalition:

<https://lifeinstitute.global.org/initio/>

Principle 2: Impact and Goal Setting



We will continuously increase our positive impacts by reducing negative impacts and managing risks to people and the environment resulting from our activities, products and services. To this end, we will define and publish targets in the areas where we can have the most significant impacts.

2.1 Impact Analysis (Main Step 1)

Show that your bank has conducted an impact analysis of your portfolio(s) to identify your most significant areas of impact and determine priority areas for goal setting. The impact analysis shall be regularly updated¹ and comply with the following requirements/elements a-d):²

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

The scope of the impact analysis falls on the heart of the organization's business, that is, the entire set of credit operations from all sources, whether operations are directly analyzed and contracted or carried out through operational partners, throughout the geographical area of operation, and for all types of borrowers, rural producers, private and public companies and Municipalities. Thus, we cover approximately 95% of our operating activities.

There is, however, a methodological difference for the impact analysis between direct and indirect operations, mainly in view of the availability of information and the number of operations. Direct operations, in smaller volume and more significant value, are evaluated individually from the data and information of the analysis reports, while indirect operations are evaluated in groups according to some specific criteria and applicable financing modalities.

The investment of resources through an internal fund, the Green Fund, whose operation is in its initial stage, the management of third-party funds such as the Audiovisual Sector Fund, the technical assistance offered, either in conjunction with the financing operations or for the preparation of PPPs with the municipalities and our participation in Investment Funds, were not included.

Portfolio composition: Did your bank consider the composition of your portfolio (in %) in the analysis? Provide the proportionate composition of your portfolio globally and by geographic scope

- i) by sectors and industries³ for business portfolios, companies and investment banks (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products and services and by customer types for consumer banking and retail portfolios.

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

The analysis of the composition of the portfolio in BRDE has been regularly made, since 2021, from the approach of the SDGs. Its basis is a Sustainable Typology of Projects/Activities (TSPA) developed for operational peculiarities. The TSPA is the way to overcome the absence of a sustainable national taxonomy directly applicable to Development Banks and financing projects. Through the TSPA, we aggregate the set of all direct and indirect operations contracts, whether through project finance or corporate loans, which keep some alignment with the SDGs. The methodology is based on the 169 goals and incorporates the integrated and indivisible vision of the objectives and their goals. Considering the entire analysis period, from 2021 to the second half of 2025, the alignment of BRDE with the

Alignment of operations to the SDGs in 2024:

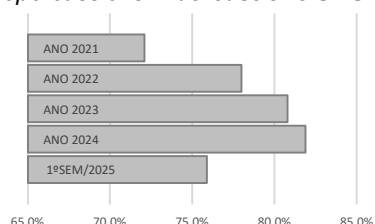
<https://www.brde.com.br/responsabilidade-socioambiental/o-brde-e-os-ods/>

¹ This means that if the initial impact analysis was carried out in a previous period, the information must be updated accordingly, the scope extended and the quality of the impact analysis improved over time.

² Further guidance can be found in the [Interactive Guidance on Impact Analysis and Goal Setting](#).

³ The 'key sectors' relating to different impact areas, i.e. sectors whose positive and negative impacts are particularly strong, are particularly relevant in this context.

SDGs is 78.7%, that is, of the total number of contracts signed in this period, **78.7%** relate to financing in projects or production activities with expected positive repercussions in **at least one SDG**. This percentage has evolved as follows:



Considering the integrated and indivisible vision, in the event that a project has an impact on more than one SDG, it is accounted for in all of them simultaneously. This allows us to visualize the important interactions between the Sustainable Goals and where the impacts can be multiplied.

The greatest impact of financing is on **SDG 2 FOOD SECURITY and SUSTAINABLE AGRICULTURE**, which represents about 42% of the total financed. Projects/activities of agro-industrial cooperatives in the southern region account for about 50% of this alignment, another 17% are financing to small rural producers, including family farming (PRONAF) and the rest is divided into several other typologies such as grain storage (4%), sustainable production systems (2%), irrigation and others with less than one percent each. Some typologies associated with SDG 2 also have a positive impact on SDG 13, which is the second set of data of important magnitude in the BRDE portfolio, as in the case of the ABC (Low Carbon Agriculture) Program and others. This is what will be seen next.

SDG 13 CLIMATE ACTION is aligned with 20 to 25% of the contracts made, with expected effects on mitigation, avoided emissions and removals, or climate adaptation. The transversality of the SDGs in their goals makes SDGs 7, 12, 13 strongly related. The table below shows the main typologies associated with SDG 13 and its transversal matrix.

PROJECTS/ACTIVITIES THAT IMPACT IN SDG 13 - CLIMATE

(reference: operations of the last 4 years)

SUSTAINABLE PROJECT/ACTIVITY TYPOLOGY	%	SDG 2	SDG 7	SDG 8	SDG 9	SDG 11	SDG 13	SDG 15
Generation of Energy from Water Source - CGH and PCH	47.1%							
Photovoltaic Generation - Incl Micro/Mini Distrib	19.5%							
Climate Resilience in municipalities	4.8%							
Energy Reconversion or Efficiency	4.5%							
Commercial Forest	3.9%							
Waste Use or Recycling	3.7%							
ABC Project - Crop/Livestock Integration	3.5%							
Soil Recovery and Management	3.0%							
Generation Energy Source Biomass	2.5%							
Irrigation System - PIVOT and others	2.0%							
Reducing the Environmental Impact of Cities	1.7%							
ABC Project - Soil Recovery and Management	1.0%							
Climate protection systems, cover and others	0.8%							
Parks and Natural Reserves	0.6%							
ABC Project - No-tillage	0.6%							
ABC Project - Forest	0.3%							
Climate Fund (Indirect Operations)	0.3%							
ABC projects (unspecified)	0.3%							
Livestock Waste Treatment	0.1%							

In **SDG 7 CLEAN and RENEWABLE ENERGIES**, in the period considered, there were about 1,400 operations for photovoltaic generation in the most diverse business segments, from the rural producer to the large company.

Two other axes of BRDE action impact **SDG 10 REDUCTION OF INEQUALITIES** and **SDG 8 SUSTAINABLE GROWTH and DECENT EMPLOYMENT**, each with about 20% of annual contracts. In reducing inequalities, the transversality with SDG 2 with regard to the financing of family farming stands out, especially through the indirect operations of BRDE. Second-floor operations with microcredit organizations are included in both, as it is an important policy for sustainable growth and promoting economic inclusion. In SDG 8, contracts with

micro and small companies, emergency loans for economic recovery from natural disasters, and innovation are also accounted for.

Financing to municipalities has evolved a lot in recent years. In 2024, for example, there was \$476 million in financing, 58% above the previous year. However, a still small portion has repercussions on **SDG 11 SUSTAINABLE CITIES**. SDG 11 has added investments in climate resilience, sewage treatment and sanitation, waste, reconversion or energy efficiency, drainage and water supply.

Background: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or its customers operate?⁴ Describe how they were considered, including which stakeholders you engaged to help inform this element of the impact analysis.

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

The main regional planning and diagnosis document for southern Brazil is the "Regional Vision 2040". An effort led by CODESUL and carried out by technicians from the University of Vale do Rio dos Sinos (UNISINOS), the study was funded with resources from BRDE. The initiative proposes an integrated and long-term vision for the development of the region, based on a diagnosis that includes the survey of planned investments, the mapping of potentialities and bottlenecks, in addition to the definition of priority axes of action, guidelines, indicators and goals for the next 15 years. The work considered the consultation with stakeholders from the three states, such as state secretariats, foundations and public companies, civil society organizations, the national industry and commerce system, universities, among other actors identified at the time.

According to the document, the main environmental challenges of the CODESUL region include:

(i) Greenhouse Gas (GHG) Emissions:

- Main emissions from the energy, agriculture and livestock, land use change and industrial processes sectors.
- Dependence on high carbon energy sources and need to transition to renewable sources and sustainable practices.

(ii) Deforestation:

- Worrying rates of deforestation in biomes such as Pampa, Atlantic Forest, Cerrado and Pantanal.
- Impacts on biodiversity and climate, requiring forest conservation and restoration policies.

(iii) Natural Disasters:

- High frequency and severity of extreme events such as floods, droughts, windstorms and hail.
- Need for resilient infrastructure, early warning systems and climate change adaptation strategies.

The environmental situation of the CODESUL member states - Mato Grosso do Sul, Paraná, Rio Grande do Sul and Santa Catarina - is complex and diverse. Regions face significant challenges related to greenhouse gas emissions, deforestation and natural disasters.

With regard to greenhouse gas emissions, all CODESUL states have significant emission rates, especially Rio Grande do Sul, which had the highest amount of emissions among the states of the block.

Deforestation is another major challenge. Paraná is particularly affected, with the highest rate of deforestation in the region. However, significant progress has

2040 REGIONAL VIEW:

<https://www.brde.com.br/noticia/brde-apresenta-resultados-e-entrega-visao-regional-2040-em-reuniao-com-governadores-do-codesul/>

⁴ Alternatively, they can be considered global priorities for credit institutions with highly diversified and international portfolios.

also been made in reducing deforestation rates in all states. Still, deforestation remains a major concern, with significant impacts on biodiversity and climate.

Natural disasters, which are increasing in frequency and severity in many parts of the world due to climate change, are also a significant problem for CODESUL States. Santa Catarina and Rio Grande do Sul are especially affected, with rates of people affected by natural disasters that are much higher than national and regional averages.

In addition to frequent droughts during the summer, Rio Grande do Sul suffered an extreme weather event in May 2024. Heavy rains quickly raised the level of several rivers, causing flooding in many municipalities in the state. The disaster killed hundreds of people, displaced thousands and caused damage to the logistics infrastructure, significantly damaging the state's business.

Based on these first 3 elements of an impact analysis, which areas of positive and negative impact did your bank identify? Which (at least two) areas of significant impact have you prioritized to follow your goal-setting strategy (see 2.2)?⁵ Please disclose.

Based on the definition of scope, composition of the portfolio and in the context of regional challenges and priorities, we identified the main areas of positive impact of the bank's operations according to the different instruments of the impact analysis available and under development in BRDE.

Food Production (SDG 2): Productivity and Income of Small Producers; Sustainable and Resilient Production Systems; Sustainable and Resilient Infrastructure.

Climate Action (SDG 13): Climate resilience and adaptation; climate mitigation.

Clean and Renewable Energies (SDG 7): Generation of clean and renewable energy, energy efficiency.

Reducing Inequalities: (SDG 10): Financing for Family Farming and Second-floor operations for microcredit.

Sustainable Economic Growth (SDG 8): Small business access to financial services.

Sustainable Cities (SDG 11): Recovery and resilience of cities; Reduction of the impact of Cities on the environment.

Negative impacts may be associated with the lack of updating of some production technologies and projects, either in their climatic effects or in biodiversity. In this regard, it will be important to create conditions for identifying this technological gap and adopting measures to encourage technological updating and modernization.

Preliminary analysis of the financed emissions estimated by the PCAF methodology, subject to methodological validation, identifies that 89% of the emissions resulting from projects/activities of the entire BRDE portfolio are in the "Agriculture, Livestock, Forest Production, Fisheries and Aquaculture" sector. The balances of active contracts in this CNAE are 25% of the total, which results in our highest emission intensity 0.81 kgCO₂e/R\$, although this value is still slightly lower than the national indicator (0.91 kgCO₂e/R\$).

Identification of priority areas:

One of the priority areas of action that could not fail to be taken into account is (I) to **increase the climate benefits of the annual contracted portfolio of BRDE** in its two aspects, both in the effects of climate mitigation and in those of adaptation and resilience. Therefore, expand the portfolio in line with SDG 13, especially those projects and activities that are transversal to SDG 2. SDG 2 represents the largest annual volume contracted and therefore where BRDE has the greatest impact capacity, with regard to the challenge of raising its environmental and climate benefits. An even more precise cut indicates the challenge of **improving the climate performance of financing and activities**

Links and references

⁵ To prioritize the areas of greatest impact, qualitative overlap with quantitative analysis will be important, as described in a), b), and c), for example, through stakeholder engagement and greater geographical contextualization.

associated with agro-industrial cooperatives with repercussions throughout their value chain.

*In the wake of the opportunities to (II) **increase the alignment of annual financing with the SDGs**, it is a second priority to bring into this context about 20 to 25% of annual contracts whose investments still do not respond to sustainable challenges. In particular, it is a priority to increase the degree of alignment of **financing to municipalities**, since their portfolio has a lot of potential and relevance for sustainability as a whole.*

For these (minimum of two prioritized impact areas): **Performance measurement:** Has your bank identified which sectors and industries, as well as the types of customers financed or invested, are causing the strongest actual positive or negative impacts? Describe how you assessed their performance, using appropriate indicators related to areas of significant impact that apply to the context of your institution.

When determining the priority areas for setting targets among the areas of greatest impact, you should consider the bank's current levels of performance, i.e. qualitative and/or quantitative indicators and/or indicators of the social, economic and environmental impacts resulting from the bank's activities and the provision of products and services. If you have identified climate and/or health and financial inclusion as your most significant areas of impact, please also refer to the applicable indicators in the [Annex](#).

If your bank has taken another approach to assessing the intensity of the impact resulting from the bank's activities and the provision of products and services, please describe it.

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

Performance measurement is still an ongoing process and will take into account social, environmental and economic indicators, including those suggested by UNEP-FI where appropriate. This process is being organized by integrating the analysis of the alignment of operations with the SDGs, with the measures of financed emissions, avoided emissions and removals, and the effectiveness metrics still under development. The baselines are established in part, based on the analysis of the portfolio already described and the contributions of alignment to the SDGs.

Links and references

Summary of self-assessment:

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

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

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

Food Production (SDG2): Productivity and Income of Small Producers; Sustainable and Resilient Production Systems; Sustainable and Resilient Infrastructure.

⁶ You can answer "Yes" to a question if you have completed one of the steps described, for example, the initial impact analysis was performed, a pilot was performed.

*Climate Action (SDG13): Climate resilience and adaptation; climate mitigation.
Clean and Renewable Energies (SDG7): Generation of clean and renewable energy, energy efficiency.
Reducing Inequalities: (SDG 10): Financing for Family Farming and Second Floor operations for microcredit.
Sustainable Economic Growth (SDG8): Small business access to financial services.
Sustainable Cities (SDG11): Recovery and resilience of cities; Reduction of the impact of Cities on the environment.*

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

- ☒ 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 possible challenges, aspects not covered by the items above, etc.:
(optional)

The main challenge is to find impact metrics that are appropriate for our particular cases, broadly usable and generically comparable with respect to other financial institutions in all aspects of impact analysis.

2.2 Goal Setting (Key Step 2)

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

Goals⁷ must be specific, measurable (qualitative or quantitative), achievable, relevant, and time-bound (smart). Disclose the following elements of goal setting (a-d) for each goal separately:

Alignment: What international, regional or national policy frameworks to align your bank's portfolio⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to the appropriate Sustainable Development Goals, the objectives of the Paris Agreement and other relevant international, national or regional frameworks.

You can build on the context items in 2.1.

Targets and respective Action Plan have not yet been defined, it is a process that is planned and should involve the highest management when it can already be guided by the result metrics in relation to the eligible priority areas and the baseline, not yet established. Planned for implementation throughout 2026.

Links and references

Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Disclose the indicators used, as well as the year of the baseline.

You can rely on the performance measurement performed in 2.1 to determine the baseline for your goal.

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

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

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

Impact area	Indicator code	Response
Health and financial inclusion	...	
	...	
	...	

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

The baseline has not yet been defined, it should wait for the definition of the outcome metrics in relation to the eligible priority areas, not yet established.

⁷ Operational 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.

⁸ Your bank should consider the key challenges and priorities in terms of sustainable development in your primary country(ies) of operation for goal setting purposes. These can be found in National Development Plans and strategies, international targets

c) SMART Goals (incl. key performance indicators (KPIs)⁹): Disclose the goals for the first and second most significant impact areas, if they are already in place (as well as other impact areas, if any). What KPIs are you using to monitor progress toward achieving the goal? Please disclose.

Targets and respective Action Plan have not yet been defined, it is a process that is planned and should involve the highest management when it can already be guided by the result metrics in relation to the eligible priority areas and the baseline, not yet established. Planned for implementation throughout 2026.

Links and references

Action plan: What actions, including milestones, have you defined to achieve the established goals? Please describe.

It also demonstrates that the credit institution has analysed and recognised the significant (potential) indirect impacts of the targets set in the impact area or other impact areas and that it has defined relevant actions to avoid, mitigate or offset potential negative impacts.

Targets and respective Action Plan have not yet been defined, it is a process that is planned and should involve the highest management when it can already be guided by the result metrics in relation to the eligible priority areas and the baseline, not yet established. Planned for implementation throughout 2026.

Links and references

Summary of Self-Assessment

Which of the following components of goal setting according to PRB requirements has your bank completed or is currently in the evaluation process for your...

	... first most significant impact area: ... (name)	... second most significant impact area: ... (name)	(If setting targets in more impact areas) ...third (and subsequent) impact area(s): ... (name)
Alignment	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No
Baseline	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No
SMART GOALS	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No

such as the SDGs or the Paris Climate Agreement, and regional frameworks. Align means there must be a clear link between the bank's goals and these structures and priorities, thus showing how the goal supports and drives contributions to national and global goals.

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

2.3 Goal implementation and monitoring (Key Step 2)

For each destination separately:

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

Report on your bank's progress since the last report to achieve each of the goals set and the impact your progress has resulted in, using the indicators and KPIs to monitor the progress you set in 2.2.

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

Targets and respective Action Plan have not yet been defined, it is a process that is planned and should involve the highest management when it can already be guided by the result metrics in relation to the eligible priority areas and the baseline, not yet established. Planned for implementation throughout 2026.

Links and references

Principle 3: Customers



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

3.1 Customer engagement

Does your bank have a policy or process for engaging with customers and clients¹⁰ to encourage sustainable practices?

☐ Yes ☐ In Progress ☒ No

Does your bank have a policy for sectors where you have identified the biggest (potential) negative impacts?

☐ Yes ☒ In Progress ☐ No

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

This should be based on and in line with the impact analysis, target setting and action plans implemented by the credit institution (see P2).

BRDE developed, in an open innovation process, an ESG self-assessment tool aimed at its clients in order to encourage knowledge of sustainability practices and their improvement. The winning solution is in the final phase of study to define hiring. Its availability will be focused on general business and specific modules can be developed to direct efforts to eligible areas.

Sustain Platform:

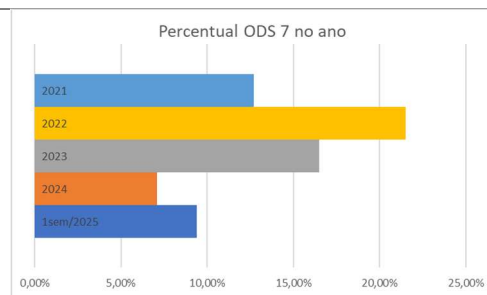
3.2 Business opportunities

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

Business opportunity: clean and renewable energy, SDG 7 and SDG 13, whether in projects of small hydroelectric plants without flood areas, wind photovoltaic generation and biomass, since 2006 when BRDE participated in the financing of the first wind farm in Osório, RS. Considering the last 25 years, there were about 5.2 billion in financing for the sector. Of a total of 54 billion, it represents about 10%, however the percentage varies greatly from year to year, depending on the granting of environmental licenses.

Specific Products and Services:

<https://www.brde.com.br/responsabilidade-socioambiental/produtos-e-servicos/>



Another opportunity was seized in the establishment of operational agreements with credit and production cooperatives in so-called indirect operations that currently reach many small producers and Families and reach 25% of total contracts in 2024. Many of these financings use resources from the ABC (Low Carbon Agriculture) Program, in addition to strengthening institutional relations with important partners.

Other opportunities are being explored in markets of management, use, treatment, recycling and final disposal of waste, female entrepreneurship.

BRDE has been preparing and executing actions for the theme from three major external guiding frameworks, the Global Compact, the LIFE Business Coalition on Biodiversity and, more recently, PRB UNEP-FI, two major internal guiding documents, the Social, Environmental and Climate Responsibility Policy and the Green Bank, and a Multiannual Action Plan – PPA. The PPA aggregates the different applicable instruments.

¹⁰ A customer engagement process is a process of supporting customers in transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and collaborate with relevant stakeholders to achieve society's objectives.

4.1 Identification and consultation of stakeholders

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

☐ Yes ☐ In Progress ☒ No

Describe which stakeholders (or stakeholder groups/types) you have identified, consulted, engaged, collaborated with, or partnered with in order to apply the principles and improve your bank's impacts. This should include a high-level overview of how your bank identified relevant stakeholders, what issues were addressed/results achieved, and how they contributed to the action planning process.

Consultation with stakeholders directly has not yet been applied.

¹² As regulators, investors, governments, suppliers, customers 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 Framework for Implementation of the Principles

Does your bank have a governance system that incorporates PRB?

☒ Yes ☐ In Progress ☐ No

Describe the relevant governance structures, policies and procedures that the credit institution has in place/plans to implement to manage significant (potential) positive and negative impacts and support the effective application of the principles. This includes information about

- which committee is responsible for the sustainability strategy, as well as the approval and monitoring of the objectives (including information on the highest level of governance to which the PRB is subject),
- details about the committee chair and the process and frequency with which the board oversees the implementation of the PRB (including corrective action in the event goals or milestones are not achieved or unexpected negative impacts are detected), as well as
- remuneration practices associated with sustainability objectives.

The sustainability strategy is built within the scope of BRDE's Strategic Planning, by level 1 superintendents and heads, and is subsequently deliberated by the Executive Board and approved by the Board of Directors. This work takes into account the suggestions of the various areas of the Institution, in particular that of the Sustainability Coordination (CRESA) and its Heads, mediated and immediate.

In the structuring phase is the Sustainability Committee, a collegiate that will be coordinated and secretariat by CRESA with the participation of the Superintendencies of Risk, Credit and Standards, in addition to a representative of each of the three BRDE Agencies (there are three agencies, one for each member state, RS, SC and PR).

The main attributions of the Committee will be (i) To monitor the execution, review and new cycles of the Social, Environmental and Climate Responsibility Policy, and the Multiannual Plan of Social, Environmental and Climate Responsibility (PPA) actions, including annual accountability, for the Executive Board; (ii) to promote the Integration between risk and the continuous improvement of social, environmental and climate performance in operations; (iii) to approve/recommend methodological reviews and technical definitions; (iv) to define products and Institutional policies and other relevant regulations, as well as the monitoring of the implementation of the PRB; (v) to structure processes, including, as appropriate, regulation and responsibilities, approval/recommendation of methodological reviews, use of information/results. The Committee shall have monthly regular meetings and extraordinary calls, if necessary.

Links and references

5.2 Promoting a culture of responsible banking:

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

Every year, the Human Resources Department schedules professional training activities and the theme is eventually inserted in this context, having already addressed the organization's climate strategy, social, environmental and climate risk, in addition to other topics. The Sustainability Committee will be responsible for suggesting and forwarding training and other activities to the respective department. Currently, there is no specific compensation structure associated with the topic of sustainability.

Links and references

5.3 Due diligence policies and processes

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

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 identifying significant/salient risks, mitigating environmental and social risks and defining action plans, monitoring and reporting risks and any existing grievance mechanisms, as well as the governance structures you have in place to oversee these risks.

BRDE adopts a structured process for the management of Social, Environmental and Climate Risks (RSAC) in its operations, guided by the principles defined in the Social, Environmental and Climate Risk Management Policy, which is part of the Bank's Integrated Risk and Capital Management Policy and Structure.

This process begins with the application of the Exclusion List, which prevents the financing of ineligible activities. Subsequently, the legal requirements, the necessary documents and the procedures to be followed are established, according to the risk level of the operation. The analysis continues with the assessment of the client's ability to manage RSACs, taking into account their internal practices and policies. The information obtained supports the decision of the credit committee and may result in the inclusion of specific clauses in the contracts. After contracting, BRDE monitors compliance with the commitments made and the evolution of the client's socio-environmental and climate practices, through technical visits and questionnaires.

At the same time, continuous monitoring of SAC risks is conducted, based on consultations with public and private databases, in order to identify practices or links that may represent social, environmental or reputational risks, even if they are in compliance with the legislation. For this, specialized due diligence tools and graphical analysis of corporate structures are used.

GRSAC REPORT – 2024
[Social, Environmental and Climate Risks and Opportunities]

<https://www.brde.com.br/wp-content/uploads/2025/05/Relatorio-GRSAC-BRDE-2024.pdf>

Summary of Self-Assessment

Do the CEO or other senior executives regularly oversee the implementation of the Principles through the bank's governance system?

☒ Yes ☐ No

Does the governance system entail structures to oversee the implementation of the PRB (e.g., including impact analysis and goal setting, actions to achieve those goals, and corrective action processes in the event that goals/milestones are not achieved or unexpected negative impacts are detected)?

☐ Yes ☒ No

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

☐ Yes ☒ In Progress ☐ No

¹³ Applicable 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.

Principle 6: Transparency and Accountability



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

6.1 Warranty

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

☐ Yes ☐ Partially ☒ No

Where applicable, include the link or description of the warranty statement.

Response

Links and references

6.2 Reports on other structures

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:

Response

Links and references

6.3 Perspective

What are the next steps your bank will take over the next 12 months (particularly on impact analysis¹⁴, goal setting¹⁵ and governance structure to implement PRB)? Please describe briefly.

- Integration of effectiveness measures in the sustainable typology of projects/activities;
- Integration of the emission estimates financed to the impact analysis and deepening of the avoided emissions methodologies and removals for the corresponding typologies;
- Setting goals by senior management;
- Consolidation of governance through the implementation of the Sustainability Committee;

Links and references

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

¹⁵ For example, outlining plans for baseline measurement, developing targets for (more) impact areas, setting intermediate targets, developing action plans, etc.

<ul style="list-style-type: none"> - <i>Establishment of the Action Plan to achieve the goals at the strategic and tactical level;</i> - <i>Start of the process of including financing sustainability data in a centralized system.</i> 	
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6.4 Challenges

Here is a short section to find out the challenges your bank is facing in relation to implementing the Principles for Responsible Banking. Your feedback will be useful to contextualize the collective progress of the PRB signatory banks.

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

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

- | | |
|--|--|
| <input checked="" type="checkbox"/> Incorporating PRB oversight into governance | Customer engagement <input type="checkbox"/> |
| <input type="checkbox"/> Gaining or keeping momentum on the bench | <input type="checkbox"/> Stakeholder engagement |
| <input checked="" type="checkbox"/> Introduction: Where to start and what to focus on at the beginning | Data availability <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Conducting an impact analysis | Data quality <input type="checkbox"/> |
| <input type="checkbox"/> Assessment of negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology(s) | <input type="checkbox"/> Reports |
| <input type="checkbox"/> Goal setting | <input type="checkbox"/> Audit |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

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

Annex

A set of indicators was produced for the impact areas of climate mitigation and health and financial inclusion. These indicators will assist you in your reporting and in demonstrating progress against the implementation of the PRB. Banks are expected to set targets that address at least two areas of most significant impact in the first four years after signing the PRB. This means that Banks must ultimately set targets using impact indicators. Recognizing the fact that banks are at different stages of implementation and different levels of maturity and therefore may not be able to report the impact from the outset, a Theory of Change approach was used to develop the set of indicators below.¹⁶ The Theory of Change presents the **path to impact** and considers the relationship between inputs, actions, outputs and outcomes to achieve impact. The Theory of Change for climate mitigation can be found [here](#) and the Theory of Change for health and financial inclusion can be found [here](#).

How to use: Both practice (action, outcome, and output) and impact performance need to be understood because practice is the means to achieve desired impacts (including goals). The Theory of Change makes it possible to identify metrics and set goals aligned with the maturity of a bank. The indicators below are all connected to a bank's impact and can be considered as steps to measure impact. Some of the practice indicators (at the action, output and result levels, respectively) are linked to the composition of the portfolio and the financial goals¹⁷ (highlighted in green) or the customer engagement¹⁸ goals (highlighted in blue), which enable its overall goal. If your bank has prioritized climate mitigation and/or health and financial inclusion as (one of) its most significant impact areas, it is highly recommended to report the indicators in the Annex to measure its performance and baseline.¹⁹ Once you have set the goal, you can use the indicators as guidance for your action plan and also define the Key Performance Indicators (KPIs) that you can use to measure progress against the set goals.

¹⁶ It is not necessary for banks to work with the concept of Theory of Change internally. In fact, Theory of Change has been used to structure SMART goal-setting requirements using relevant indicators.

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

¹⁸ Customer engagement goals involve engaging relevant customers to enable your overall goal. The purpose of customer engagement is to assist customers in transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

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

- ➔ **For Net-Zero Banking Alliance Signatories:** inform the climate targets set as required in the [Guidelines for Setting Climate Targets](#). As an Alliance member, 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 can use the PRB template to disclose the required climate target information when your publication date is in line with the NZBA committed deadline.
- ➔ **For Signatories of the Collective Commitment to Health and Financial Inclusion:** inform the established financial health and/or financial inclusion goals as required in the [Health and Financial Inclusion Commitment Statement](#). As a signatory to the Commitment, you have agreed to set an ambitious SMART target within 18 months of signing. To facilitate your process, please refer to the [Guidelines on Target Setting for Financial Health and Inclusion](#) and the [Key Indicators](#) for Measuring Financial Health and Inclusion. Remember that Commitment signatories are encouraged to measure as many Core Set indicators or their equivalent as possible in order to be able to set a SMART impact driven goal.

Impact area	Practice ²⁰ (path to impact)									Impact ²¹		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options and metrics	Code	Indicator	Response options and metrics	Code	Indicator	Response options and metrics	Code	Indicator	Response options and metrics
A. Climate change mitigation	A.1.1	Climate strategy: Does your bank have a climate strategy in place?	Yes / Ongoing / No	A.2.1	Customer engagement process: Is your bank in a process of engaging with customers regarding your strategy for a low (lower level) carbon business model (<i>for business customers</i>) or for low (lower level) carbon practices (<i>for retail customers</i>)?	Yes / In configuration / No; <i>When yes:</i> Specify which customers (types of customers, sectors, geography, number of customers, etc.)	A.3.1	Financial volume of sustainable assets/low carbon technologies: How much does your bank lend to/invest in sustainable assets/loans and low-carbon activities and technologies?	bln/mn of USD or local currency, and/or % of the portfolio; <i>specify</i> the definition of sustainable assets and low carbon technologies used	A.4.1	GHG emissions reduction: how much have funded GHG emissions been reduced?	% over time; baseline and tracking of GHG emissions in kg of CO ₂ and (or applicable metrics) ²²
	A.1.2	Goal of alignment with the Paris Agreement: Has your bank set a goal of alignment with the Paris Agreement across the long-term portfolio? To become net zero by what point?	Yes / In progress / No; <i>When yes:</i> - specify: to become net zero by what time? - Baseline/base year of emissions: What is the baseline/base year of emissions for your target?	A.2.2	Absolute funded issues: What are your absolute emissions (funded emissions = scope 3, category 15) in your loan and/or investment portfolio?	Total GHG or CO ₂ emissions and (<i>also disclose what has been deleted for now and why</i>)	A.3.2	Financial volume lent to / invested in carbon-intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-intensive sectors and	bln/mn of USD or local currency, and/or % of wallet	A.4.2	Portfolio alignment: How much of your bank's portfolio is aligned with the Paris Agreement (according to the defined target [A.1.2], 1.5 or 2 degrees)?	% of portfolio (<i>specify portfolio; for corporate and corporate clients: % of sectors financed</i>)

²⁰ Practice: the composition of the bank's portfolio in terms of key sectors, customer engagement and its relevant policies and processes and, where applicable, its defence practices

²¹ Impact: the actual impact of the bank's portfolio

²² When possible and/or necessary, contextualize progress: Greenhouse gas emissions may even increase initially because the scope of measurements is extended and funded emissions from a growing portion of the portfolio are measured, emission factors are updated, etc. The emission reductions made by customers should, over time, result in the decrease in GHG emissions financed.

			- Climate scenario used: Which climate scenarios aligned with the Paris Agreement climate goals did your bank use?					activities ²³ ? How much does your bank invest in transition financing ²⁴ ?				Principles for
A.1.3	Policy and process for customer relationships: Has your bank implemented rules and processes for customer relationships (new customers and existing customers) to work together with the goal of transitioning customer activities and business model?	Yes / Ongoing / No	A.2.3	Sector-specific emissions intensity (by customers' physical outputs or by financial performance): What is the emission intensity within the relevant sector?	Specify which sector (<i>according to the sector and/or metric chosen</i>): kg of CO ₂ e/ kWh, CO ₂ e / m2; kg CO ₂ e/USD invested, or kg CO ₂ e/revenue or profit							
A.1.4	Portfolio analysis: Has your bank analyzed (parts of) your loan and/or investment portfolio in terms of funded emissions (Scope 3, category 15); combination of technology or carbon-intensive sectors in the portfolio?	Yes / In progress / No; When yes: specify which parts of the loan and investment portfolio you analyzed	A.2.4	Proportion of funded emissions covered by a decarbonization target: What proportion of the emissions financed by your bank is covered by a decarbonisation target, i.e. does it come from customers with a	% (<i>denominator: emissions financed within the scope of the defined target</i>)							

²³ A list of carbon-intensive sectors can be found in the [Guidelines for Setting Climate Goals](#).

²⁴ Transition finance is defined as financing the transition to a low-carbon future in line with the climate goals of the Paris Agreement. This implies any form of financial support for non-green activities to become more sustainable and reduce emissions.

	A.1.5	Business opportunities and financial products: Has your bank developed tailored financial products to support the reduction of customers' GHG emissions (such as energy-efficient mortgages, sustainable loans, sustainable bonds, sustainable securitisations, etc.)?	Yes / In progress / No; Specify what and what financial volume and/or % of the portfolio they represent		transition plan in place?							
B. Financial health	B.1.1 *	Number of products and services in the portfolio with a focus on financial health	Based on internal data. Measures how many of the portfolio's products and services have a focus on financial health. We consider a product or service to have this focus when it facilitates decision making and supports increased financial health based on our definition of financial health. This covers embedded products and services with incentives to simplify decision making, rounding, high-yield savings accounts, simple investment tools, etc.	B.2.1 *	No. of individuals supported with specific and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non-customers) of financial and/or digital empowerment initiatives offered by the bank. An initiative covers courses, programs, training videos, articles, SMS education campaigns, etc. Specific means that the initiative has been specially created for a defined group of individuals (in many cases, a prioritized group). Effective means that the bank has	B.3.1 *	% of individuals with a good and/or very good level of financial skills	Based on evaluation. Measures the percentage of individuals with a good and/or very good level of financial competencies according to the assessment chosen by the financial institution. This measurement should be done on individuals who benefit from the bank's financial education initiatives.	B.4.1	% of customers with high level of financial health	Based on transactional and/or survey data. Measures the percentage of customers with a high level of financial health according to the score chosen by the financial institution.

						measured whether the initiative succeeds in generating the desired results from stronger financial competencies, and therefore any individual receiving support from the initiative will achieve the desired results. A bank cannot count a click as an individual, so we encourage data to be presented as the # of individuals for deanonymized users and # of interactions for anonymized users.					Principles for Responsible Banking	
	B.1.2 *	% of relevant employees supported by effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported by effective training on financial inclusion, responsible credit, and/or financial health. Including training to meet the needs of the prioritized groups. Effective means that the bank has measured whether the initiative succeeds in generating the desired outcomes	B.2.2 *	% of customers actively using online/mobile banking platforms/tools	Based on transactional data. Measures the percentage of customers who log in at least once a month to one of the following digital platforms (choose those applicable to your bank): Digital and/or internet banking tools (including financial health tools)	B.3.2	% of customers using the bank's services to create a financial action plan with the bank	Based on transactional and/or survey 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 client build financial resilience. It is done "with the bank" if the bank is able to view,	B.4.2	% of customers for whom spend exceeded 90% of inflows for more than 6 months last year	Based on transactional and/or survey data. Measures the percentage of customers with a transaction account and/or savings/investment accounts for which spending exceeded 90% of inflows for more than 6 months in the year within the reporting period compared to total customers within the scope of the PRB. Focus on

the financial institution's main customers.

			from stronger competencies, and therefore any individual receiving support from the initiative will achieve the desired outcomes. Relevant employees are those that the bank prioritizes in the training program because of their direct impact on customers' financial health						through the customer's transactions, the results of the plan.		Principles for Responsible Banking	the financial institution's main customers.
	B.1.3	# of active partnerships to achieve health and financial inclusion goals	Based on internal data. Measures the number of currently active partnerships to achieve inclusion and financial health goals. By active, we mean that they are currently in action and generating results. We suggest disclosing the results of the partnerships in the comments section of the reports.				B.3.3	% of customers using overdraft regularly	Based on transactional data. Measures the percentage of customers who use the overdraft option on their accounts or their credit cards on a regular basis. Overdraft can be used to deal with unexpected emergencies, but more than 1/3 of the year (banks may deviate if adequate reasons are provided) denotes a regularity and a precursor to lower financial health	B.4.3	% of customers who feel confident about their financial situation in the next 12 months	Survey-based data. Measures the percentage of customers who responded positively to feeling confident about their financial situation in the next 12 months compared to the total number of customers in the survey. By confident, we mean having no concerns about your financial situation.
							B.3.4	% of customers with a defaulted loan	Based on transactional data. Measures the percentage	B.4.4	% of customers with products linked to long-term savings	Based on transactional and/or survey data. Measures

and investment plans	the percentage of customers with products related to long-term savings and investment plans. "Long term" will depend on each bank's definition.
B.4.5 % of clients who would have difficulty raising emergency funds or insuring a large unexpected expense	Survey-based data. Measures the percentage of customers who would have difficulty raising emergency funds or insuring a large unexpected expense We consider a large unexpected expense, which the customer had not planned for and would require them to spend more than they have available for secondary expenses in their monthly budget or 1/20 of the country's Gross National Income (banks may deviate if adequate reasons are provided). A good example is: unforeseen medical bills, malfunction of important household appliances, car

repair, etc. Based on a survey using the question: "If a large unexpected expense arises, how would you be able to settle it now?" and provide multiple choice options for insurance, emergency funds, loan, credit card, family/friends, etc.

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 that at least one usage occurs per month. By category, we mean credit/debt, savings/deposit/payment, insurance, investment, etc. After a target has been set for this indicator, we encourage banks to ensure responsible sales policies or other initiatives so that the target does not become a toxic incentive.

C. Financial Inclusion

C.1.1
*

Number of products and services in the portfolio with a focus on financial inclusion

Based on internal data. Measures how many of the portfolio's products and services have a focus on financial inclusion. We consider a product or service to have this focus when its design facilitates access and use by the prioritized customer. For example, no-fee savings account, low-interest microcredit, offline access or simulator-based banking apps, etc.

C.2.1

No. of individuals supported with specific and effective financial and/or digital education initiatives

Based on internal data. Measures the number of users (customers and non-customers) of financial and/or digital empowerment initiatives offered by the bank. An initiative covers courses, programs, training videos, articles, SMS education campaigns, etc. Specific means that the initiative has been specially created for a defined group of individuals (in many cases, a prioritized group). Effective means that the bank has measured whether the initiative succeeds in

C.3.1
*

% of individuals with a good and/or very good level of financial skills

Based on evaluation. Measures the percentage of individuals with a good and/or very good level of financial competencies according to the assessment chosen by the financial institution. This measurement should be done on individuals who benefit 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

					generating the desired results from stronger financial competencies, and therefore any individual receiving support from the initiative will achieve the desired results. A bank cannot count a click as an individual, so we encourage data to be presented as the # of individuals for deanonymized users and # of interactions for anonymized users.						
	C.1.2 *	% of relevant employees supported by effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported by effective training on financial inclusion, responsible credit, and/or financial health. Including training to meet the needs of the prioritized groups. Effective means that the bank has measured whether the initiative succeeds in generating the desired outcomes from stronger competencies, and therefore any individual receiving	C.2.2	% of customers with effective access to a basic banking product	Based on transactional data. Measures the percentage of customers with effective access to a basic banking product. By effective, we mean use beyond first access. Basic banking products vary by bank. Good examples of this are: checking accounts, payment accounts, credit cards, savings accounts, deposit	C.3.2	% of clients supported with dedicated consulting/customer journey services	"Based on transactional data. When dedicated customer journey/consulting services are in place for prioritized groups, this indicator measures the percentage of customers utilizing these services. Depending on the size of the bench, both the number and the percentage can be the unit of measurement.		

			support from the initiative will achieve the desired outcomes. Relevant employees are those that the bank prioritizes in the training program because of their direct impact on customers' financial health			accounts, e-money accounts, etc.						
	C.1.3	# of active partnerships to achieve health and financial inclusion goals	Based on internal data. Measures the number of currently active partnerships to achieve inclusion and financial health goals. By active, we mean that they are currently in action and generating results. We suggest disclosing the results of the partnerships in the comments section of the reports.	C.2.3	No. of new customers per month	Based on transactional data. Measures the number of new customers per month. Once the bank sets a goal, this indicator can become a KPI to measure the percentage of new customers from the prioritized groups per month.	C.3.3 *	% of customers actively using online/mobile banking platforms/tools	Based on transactional data. Measures the percentage of customers who log in at least once a month to one of the following digital platforms (choose those applicable to your bank): Digital and/or internet banking online and/or mobile banking tools (including financial health tools where applicable)			