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Principles for
Responsible Banking

Reporting and Self-Assessment Banco Promerica de Costa Rica 2023

Principles for Responsible Banking



Reviewed version (V2) from September 2022



Reporting and Self-Assessment Template

The following template sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking (PRB). Your bank discloses which actions it has undertaken to implement the PRB by self-assessing its progress on each of the 6 Principles. This template is therefore structured in accordance with the 6 Principles that signatories have committed to.

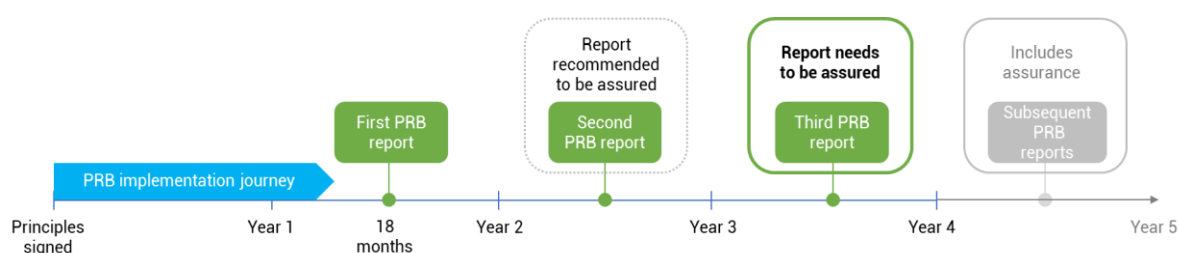
Three [Key Steps](#) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also require a self-assessment summary to demonstrate the extent to which the bank has fulfilled the respective requirements of the Key Steps.

Accommodating different starting points

Your bank has an initial four-year period from signing to implement the 6 Principles including to bring its reporting fully in line with the requirements. Your bank may not be able to provide all information required in this template in the first report. You should build on your implementation progress annually. Feedback, support, capacity building, training and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Timeline for reporting and assurance

Signatory banks need to report on their implementation of the Principles on an annual basis. The first PRB report has to be published within 18 months of signing the Principles, to give the bank some flexibility to align the PRB reporting with its reporting cycle. Publishing the first PRB report at any point earlier than 18 months after signing the Principles is therefore an option. After the first PRB reporting has been published, subsequent reports have to be published annually thereafter, i.e. within 12 months at the latest after the prior report¹.



Assurance

The last report within the initial 4 year implementation period (and subsequent reports thereafter) needs to be assured, which means that at least the third PRB report needs to be assured. Banks are encouraged to put the assurance process in place well before that and have earlier PRB reports already assured.

¹ Early reporting is permitted, although sufficient time to show progress from one year to the other should be taken into account.

All items that relate to the three [Key Steps](#) (highlighted in yellow) require limited assurance by year four of signing the PRB, undertaken by an independent third party with relevant expertise in the field. These are:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

An assurer provides limited assurance of your self-assessment in these listed areas. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](#).

Purpose of the template

The purpose of this template is to assist signatories in disclosing their progress on implementing the PRB. The disclosed information is used by the UNEP FI Secretariat as the basis for the individual review of each bank's progress, as well as for reporting the collective progress made by the PRB Signatory Group. To measure collective progress in a consistent manner, some standardized questions to be completed by the banks are integrated into the template. The open questions give banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

How to use this template

This template gives banks the chance to provide summaries of the annual progress made in implementing each Principle. It is designed for your bank to provide references/links to where in your existing reporting/public domains (websites) the required information can be found to support your answers. The aim is to keep any additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6. When referring to other documents, please specify the pages where the exact information appears.

The Reporting and Self-Assessment Template shall not be amended structurally and content-wise. The content and text of the template can be applied to corporate layout and designed accordingly, without omitting parts of the texts. The Reporting and Self-Assessment Template can be integrated into your bank's reports (annual report, sustainability report or relevant reporting formats) or can be published as a stand-alone document. It needs to be publicly available and will be listed on the UNEP FI Signatories page.

The reporting needs to be published in English. Information that is referenced to within the Reporting and Self-Assessment Template should also be available in English. Where that is not possible, it is recommended to include the summary of relevant information as text in the Template, so that all necessary information can be taken into account when the UNEP FI Secretariat reviews the bank's performance.

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, 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, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. 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.

Banco Promerica's strategy is to consolidate a business model oriented towards Sustainability and Digital Transformation. The bank's mission is to promote a bank that develops relationships and offers products and services to our communities, to help them overcome their limits, be they cultural, economic, personal or geographical. The bank's 2030 vision is to accompany our community with agile, humane, sustainable and reliable solutions.

Banco Promerica de Costa Rica has more than 1240 collaborators and offers a broad portfolio of products, oriented to meet the needs of its customers and to be agents of change in the communities where it operates, among which are credits, programs and initiatives related to green lines; financing programs for SMEs, Agribusiness and responsible consumption; as well as initiatives that promote the development of women in society.

In addition, there is an Environmental, Social and Governance Risk Management System (ARAS-G), which is executed when financing clients. In the last year, a significant improvement has been made to the governance of the environmental and social risk program by incorporating considerations regarding climate risks. This means that the program now addresses not only traditional environmental and social risks but also risks associated with climate change. This inclusion ensures more comprehensive and proactive management of risks that may affect the bank's operations and projects while strengthening its commitment to sustainability and climate resilience.

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Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
 No

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

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

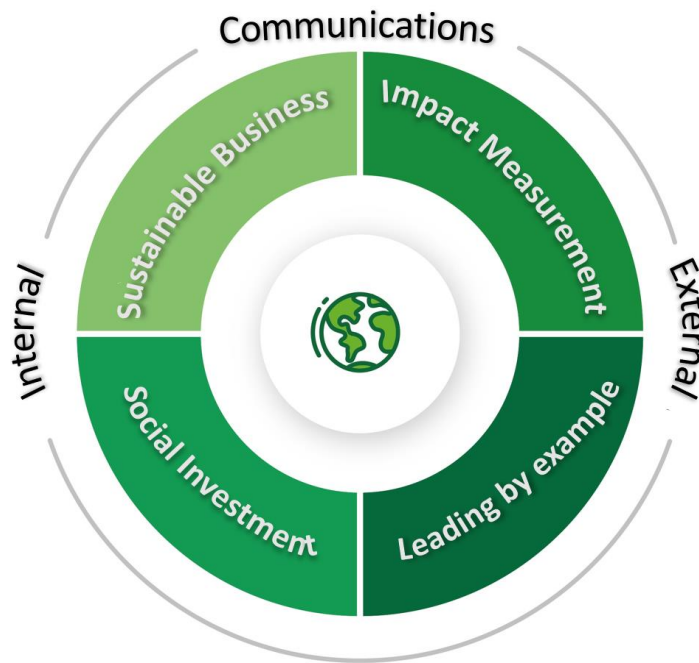
- UN Guiding Principles on Business and Human Rights
 International Labour Organization fundamental conventions
 UN Global Compact
 UN Declaration on the Rights of Indigenous Peoples
 Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: Net-Zero Banking Alliance
 Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----
 None of the above

Banco Promerica de Costa Rica is committed with the sustainability, this is one of the strategic pillars and has the support of the founding partner and shareholders, the board of directors, as well as senior management.

Sustainability Report 2023

The strategy seeks to contribute to the fulfillment of international goals such as the 2030 agenda of the Sustainable Development Goals (SDG), the Principles of Responsible Banking (PRB), the Paris Agreement, as well as national frameworks such as the Decarbonization Plan and the Nationally Determined Contribution of Costa Rica presented in 2020 to the United Nations.

Within the organization, the sustainability strategy is developed in four axes (sustainable businesses, impact measurement, Leading by example and social investment), in addition to mainstreaming through both internal and external communication and at the base of the strategy the Environmental, Social and Governance Risk Management System (ARAS-G).



Environment, Social and Governance Risk Management (ARAS-G)

Principle 2: Impact and Target Setting



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

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly² and fulfil the following requirements/elements (a-d)³:

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

We performed the Impact Analysis using UNEP-FI tool for our business portfolio that accounts for 61% of the total portfolio.

Impact Analysis Sustainability report 2023

<i>Portfolio composition:</i>	<i>%</i>
<i>Business Portfolio:</i>	<i>61%</i>
<i>Retail Portfolio:</i>	
<i>Credit Card</i>	<i>25%</i>
<i>Residential Mortgages</i>	<i>8%</i>
<i>Auto/ Vehicles:</i>	<i>6%</i>

We have also included in the scope for our climate targets the retail business of financing of vehicles and residential mortgages that account for 14% of the credit portfolio. Therefore impact and decarbonization roadmap is in place for 75% of the loan portfolio.

The investment portfolio has also been analyzed in terms of emissions. An exclusion list of the carbon intensive sectors is in place and temperature metric has been added as an additional investment criteria.

² That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

³ Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

In the analysis we determined the country needs and main impacts are related to Climate change and employment.

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope
 i) by sectors & industries⁴ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
 ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

The bank has considered the loan composition of the portfolio by economic activity and industries.

Focusing in the loan portfolio to business clients, we decided to excluded the credit card portfolio because we have no control over the use of funds.

Business loans by economic activity:

Economic activity	Portfolio representation	Clients
<i>Real Estate</i>	25,0%	6,0%
<i>Comerce</i>	17,0%	24,2%
<i>Commercial Real Estate</i>	15,0%	9,23%
<i>Services</i>	12,0%	29,5%
<i>Tourism</i>	7,6%	7,6%
<i>Agriculture</i>	6,2%	2,9%
<i>Construction</i>	6,5%	5,6%
<i>Transportation</i>	3,5%	3,9%
<i>Industry</i>	1,5%	4,9%
<i>Electricity</i>	1,1%	1,0%
<i>Others</i>	4,5%	4,9%

As mentioned before we have also included in the scope of our climate targets the retail business (14%) of the credit portfolio. Therefore impact and decarbonization roadmap is in place for 75% of the loan portfolio. Additionally the investment portfolio has also been analyzed.

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⁴ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

<p>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?⁵ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p> <p><i>This step aims to put your bank's portfolio impacts into the context of society's needs.</i></p>	
<p><i>In Costa Rica as it is in the world, climate change is a challenge in which actions need to be taken. Banco Promerica de Costa Rica is also signatory of the Net-Zero Banking Alliance and have the commitment to reduce the greenhouse gas emissions of the operations, the loan and investments portfolio.</i></p> <p><i>Additionally, by identifying the important gaps that exist both at the national and regional levels regarding the financing of projects focused on SDG 5, which seeks gender equality and empowering all women and girls, knowing that one of the most important in the country is related to poverty, inequality and that this affects women even more, it was decided to take this as one of the issues in which objectives and follow-up goals will be set within the Principles of Responsible Banking, PRB.</i></p>	<p><i>Sustainability Report 2023</i></p>
<p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁶? Please disclose.</p>	
<p><i>Banco Promerica has developed a materiality analysis to determine the impact areas. The issues that have emerged from the analysis have been incorporated into the strategic plans for both 2021, 2022 and 2023. As mentioned before, the impact analysis has also been carried out using the UNEP FI Impact Tool, with which it is possible to identify the positive and negative impacts applied to our business portfolio.</i></p> <p><i>In December 2021, an analysis of the gaps that the bank had in order to comply with the Principles of Responsible Banking, the Principles of Women's Empowerment and the Net-Zero Banking Alliance was completed. This latest study allows us to see the axes and principles in which more progress has been made and those that require further action. For each of them, a plan of activities to be carried out in the following 4 years (from 2022 to 2025) is developed, which are part of the strategic plans of the Sustainable Banking team.</i></p>	<p><i>Sustainability Report 2023</i></p>

⁵ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

⁶ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

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d) For these (min. two prioritized impact areas): Performance measurement. Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.

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

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

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Climate Action:

Banco Promerica has published its science-based targets for the mortgage, vehicle, commercial real estate, and power generation project sectors using the SBTi methodology to comply with the Net-Zero Banking Alliance and a roadmap that has been approved by the Sustainability Committee to reach this targets.

The roadmap was developed for each core sector in which Banco Promerica operates:

Sector	Opportunities
Real estate development and housing	<i>Implementing a comprehensive financing and advisory program aimed at financed real estate developers, with the goal of ensuring that 95% of their projects achieve certification as sustainable developments.</i>
Green mortgages	<i>Finance at least 50% of homes of the green projects financed by the bank by the year 2030.</i>
Commercial rentals	<i>Focus on current customers, offering cost-saving reduction measures.</i>
Agriculture	<i>The decarbonisation strategy is still under review, however Banco Promerica will provide advice to current clients on reduction, offsetting, and adaptation measures. We are currently evaluating the methodology from B4ICA.</i>
Electric vehicles	<i>Increase the percentage of electric vehicles in the overall portfolio and continue strengthening the charging network at branches and shopping centers.</i>
SME	<i>Creation of a tool to calculate emissions and savings in decarbonization processes. Provide advice to current clients on reduction, offsetting, and adaptation measures.</i>

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Cross sector	<i>Continue financing renewable energy.</i>	
<p><i>During 2023 we reviewed the SBTi methodology for defining impacts on the agricultural sector, however we will continue to work during 2024 in setting a target by having in depth conversation with our clients. .</i></p> <p><i>For gender equality we have set targets and developed a program called “Protagonistas” (Protagonist) to increase the amount of lending provided to women-owned companies and to offer benefits to potentiate women business with the bank. We have also given gender focus to our financial education program in social investment and set targets internally.</i></p>		

Self-assessment summary:

Which of the following components of 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?⁷

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

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

Impact area	Costa Rica's challenges
Climate	Costa Rica is located in the tropic strip, which is one of the most affected by climate change. The country is committed to carbon neutrality by 2050 and has a decarbonization plan.
Employment and gender	There is a high level of unemployment in the country, the highest percentage are women.
Financial Inclusion	93% of the companies in Costa Rica are SMEs and pay higher interest rates and have less access to financing.
Waste	In Costa Rica only 6.6% of waste is recycled.

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

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

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

⁷ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

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

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

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

You can build upon the context items under 2.1.

Banco Promerica has identified the major action frameworks that move the world towards sustainability. Among the most important we consider the United Nations 2030 Agenda through the Sustainable Development Goals (SDG) and the Paris Agreement created in 2015 during the Paris Climate Change Conference, officially known as COP 21.

Costa Rica has aligned policies, goals and objectives towards compliance with international agreements such as these. That is why specific goals related to the SDGs have been designed by the Ministry of Planning and Economic Policy (MIDEPLAN), as well as the Decarbonization Plan and the Nationally Determined Contribution by the Climate Change Directorate of the Ministry of Environment and Energy of Costa Rica (MINAE).

Banco Promerica acknowledges that investing in gender equality initiatives is crucial for unlocking socioeconomic benefits and fostering social cohesion. By promoting equal opportunities for all individuals, Costa Rica can reduce poverty, improve health outcomes, and build more resilient societies. Currently 60% of women in Costa Rica between 18-63 years of age do not have a formal job, 33% of women in Costa Rica do not have their own income, 75% of unpaid work is done by women.

Goal	Target	Short Label	Distance to Target (s.u.)	Trend Assessment	OECD Average distance (s.u.)	OECD Trend Assessment
5	5.2	Violence against women	1.76	n.a.	0.89	n.a.
5	5.3	Harmful practices	2.31	n.a.	1.37	n.a.
5	5.4	Unpaid care and domestic work	2.67	n.a.	1.79	n.a.
5	5.5	Women's participation	0.60	Progress has been made, but is insufficient to meet the target	1.89	Progress has been made, but is insufficient to meet the target
5	5.b	Women's empowerment	0.74	Target is achieved or on track to being achieved	0.53	Target is achieved or on track to being achieved

SDG 5 on Costa Rica (source: UN)

Action on SDG 5 is not only a moral imperative but also a strategic necessity for driving progress towards sustainable development and creating a better future for everyone as described on the statistics for Costa Rica.

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b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

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

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

<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
<i>Climate change mitigation</i>	<i>Carbon intensity for the vehicle loans portfolio (Scopes 1, 2 & 3)</i>	<i>196,17 gCO2e/km</i>
	<i>Carbon intensity for the Commercial Real Estate portfolio (Scopes 1 & 2)</i>	<i>11,52 kgCO2e/m²</i>
	<i>Carbon intensity for the mortgages portfolio (Scopes 1 & 2)</i>	<i>2,79 kgCO2e/m²</i>
	<i>Carbon intensity for the power generation portfolio (Scopes 1 & 2)</i>	<i>0 tCO2e/MWh</i>
	<i>Percentage of the portfolio with targets</i>	<i>29%</i>

<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
<i>Gender equality</i>	<i>Women Led SMEs Disbursement Amount</i>	<i>\$82 MM (year 2023)</i>
	<i>Women Led SMEs % over total SMEs portfolio</i>	<i>25,67%</i>
	<i>Gender Gap Analysis Tool result (WEPS-UN Women)</i>	<i>66%</i>

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

<i>Other indicators are shown by SDG in the Sustainability Report</i>	<i>Sustainability Report 2023</i>
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⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting 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. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Banco Promerica de Costa Rica have set SMART Targets for Climate Change Mitigation according to the following:

*Sustainability Report 2023
Climate Target-setting report 2024*

1) *Reduce the carbon intensity of the following sectors for 2030 in the percentage shown.*

Sector	Linea base de emisiones en intensidad de carbono, 2021 (alcances 1 y 2)	Meta de reducción de emisiones al 2030 (alcances 1 y 2)	Porcentaje de reducción al 2030
 Hipotecas	2,79 kg CO ₂ e/m ²	2,57 kg CO ₂ e/m ²	8%
 Alquileres	11,52 kg CO ₂ e/m ²	9,68 kg CO ₂ e/m ²	16%
 Vehículos	196 gCO ₂ e/km	135 gCO ₂ e/km	31%
 Proyectos de generación de energía	0 kg CO ₂ e/kWh	0 kg CO ₂ e/kWh	0%
 Inversiones en petróleo y gas	El portafolio de inversiones tiene un bono de una empresa de petróleo y gas Banco Promerica se compromete a que para el 2030 no se tengan inversiones en este sector.		100%

Fuente: Cálculos basados en información de Banco Promerica

Financial inclusion:

We have defined 3 Main Objectives for gender equality using the SMART methodology.

1. *To increase the lending and number of SMEs led by women in our client portfolio over the next 3 years(including 2024), we will implement specific support programs, facilitating access to financing, training, and networking opportunities.*

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

Performance Indicator

Sustainable Goal	Baseline 2023	Year 1 2024	Year 2 2025	Year 3 2026
Women-Lead SMEs Portfolio	\$ 82MM	\$ 90 MM	\$ 105 MM	\$ 120 MM
SMEs Total Portfolio	\$319 MM	\$351 MM	\$386 MM	\$425 MM
% SMEs Women	25,67%	25,67%	27,25%	28,36%

2. *Reaching a greater number of women in the financial education program, empowering them with knowledge, skills, and tools to make informed and responsible financial decisions.*

Performance Indicator

Sustainable Goal	Baseline 2023	Year 1 2024	Year 2 2025	Year 3 2026
% of Women Beneficiaries of Financial Education	50%	55%	60%	65%

3. *Reduce the gender pay gap within a period of 6 years in the Bank.*

Performance Indicator

Sustainable Goal	Baseline 2024	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030
% Gender Pay Gap*	To be determined by 2024	It will be determined once the initial gender pay gap diagnosis is completed in 2024.					90%

* Women's salaries as a percentage of men's salaries according ILO (International Labour Organisation)

We have determined that the goal on year 6 of 90% is achievable due to previous analysis, however that information must be updated for the 2024 diagnosis.

These goals seek to impact Sustainable Development Goals such as objective 1 poverty reduction through job creation in SMEs, 5 Gender equality, 7 Affordable and non-polluting energy, 8 Decent work and economic growth, 10 Reduction of inequalities, 11 Sustainable cities and communities and Goal 13 Climate action.

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Banco Promerica de Costa Rica has determined some actions to advance towards the achievement of the goals, but is also clear that it is necessary to continue developing actions to strengthen the action plan :

- *Improve the quality of the data*
- *Set comercial targets, green targets for business areas*
- *Train business executives in green technologies and green loans.*
- *Develop a value proposition for executives and clients*
- *Raise awareness in the clients*

The action plan for financial health and inclusion is to continue implementing “Protagonistas”, that focuses in:

External:

- *Strengthen Relationship Banking*
- *Provide recognition to women-led SMEs*
- *Create Networking spaces*
- *Create financial education spaces for women and women led SMEs*

Internal:

- *Make a diagnosis to measure the wage gap between men and women within the bank.*

NZBA objectives approved by BOD

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: Climate Change Mitigation	... second area of most significant impact: Gender Equality	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress	<input type="checkbox"/> Yes <input type="checkbox"/> In progress

	<input type="checkbox"/> No	<input type="checkbox"/> No	<input checked="" type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

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

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

Banco Promerica advances towards the fulfillment of goals related to the Sustainable Development Goals, goals of the Paris Agreement, the Costa Rican Decarbonization Plan and the Costa Rican NDC published in 2020.

During 2023 the bank have set the climate SMART targets and design a first road map to meet those targets. The bank staff have been trained in sustainability related topics to deepen a culture of sustainability in the organization. Technical assistance is been executed to work with clients towards sustainability, also to develop tools related to PROSOS, ARAS and electric mobility program.

In the gender area, we have completed the market study of women-led SMEs and established SMART targets. Based on the findings, we have conducted workshops, webinars and surveys to define a roadmap with the necessary actions to implement a new customer journey for the Women Led SMEs.

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<p><i>Other actions were executed in relation to the different axes of the Sustainability Strategy, from social investment to leading by the example. Those actions are detailed in the Sustainability Report 2023.</i></p>	
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Principle 3: Clients and Customers



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 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

Yes In progress No

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

Yes In progress No

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

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Banco Promerica de Costa Rica has green loans with different conditions than the rest of the portfolio. There are better conditions for green mortgages and green vehicles too.

At Banco Promerica we evaluate the credits with specific attention to the climate risks, this provide more information to the client on how to adapt for future impacts of climate change in his business.

The exclusion list is constantly updated according to the sectors that need to be restricted to avoid high intensity activities.

There is a committee that is advancing in developing a new customer experience for women. We have given trainings in unconscious biases, inclusive communication, active listening and gender equality. In workshops many success stories have been presented and in webinars, topics such as taxes, sustainability, e-commerce have been presented.

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3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these 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 which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

An business opportunity has been identified in using the climate risk tools to identify business opportunities in helping our clients to adapt to climate change. Costa Rica is located in one of the areas most likely to face the impacts of climate change (according to the IPCC Report) the risks related to climate and biodiversity must be carefully analyzed and we need to provide solutions to adapt based on an analysis of future scenarios. That is why it is expected to have the information as of 2024 to analyze the client portfolio in better detail and determine business opportunities.

Additionally, the necessary transition to comply with international and national agreements creates business opportunities focused on reducing emissions in different economic sectors, opening opportunities for new technologies and models. For this reason, during 2023 & 2024 we will do in depth analysis of the top clients with opportunities related to decarbonization to reduce their footprint.

Business opportunities in gender issues are shown from two perspectives. One is due to the lower default rate of the female gender compared to the male gender, according to an analysis carried out at the Bank on the microcredit origination model in which the microcredit and classic card portfolios were analyzed. The second focus in business generation for gender-related goals is to attract more female physical customers as well as companies led by women, attracting them and retaining them through programs that boost their business.

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Microcredit origination model.

¹⁰ A client engagement process is a process of supporting clients towards 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 partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

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

Banco Promerica has identified, consulted and worked with the following stakeholders to move towards sustainability:

- *Board of Directors by permanent consult in board meetings and in different committees.*
- *Business customers are engaged by offering them sustainable products and financial solutions. Business customers are consulted in market studies or by interviews.*
- *Collaborators are engaged by improving the culture of sustainability in and out of the organization, expanding sustainability with their families, friends and clients as well as in the organization. Collaborators are consulted by an anonymous questionnaire every two years.*
- *Suppliers are engaged by aligning them into sustainability and attracting new suppliers that can also bring more sustainable solutions for the Bank. They are consulted in interviews and meetings with the suppliers department.*
- *Regulatory entities are part of the stake holders because the Bank should comply with all national and international regulations.*
- *Local governments are engaged by working together for the communities and creating impact by social investment. And are consulted by interviews and meetings with the Social Investment department.*
- *Strategic allies are engaged by project development and collaborative actions and they are consulted by meetings.*

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

<ul style="list-style-type: none">• <i>Development Financial Institutions (DFIs and sustainability investment funds) are engaged by giving funds to finance sustainable credits and technical assistance for the bank and its clients. DFIs are continually consulted and reported.</i>	
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Principle 5: Governance & Culture



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

5.1 Governance Structure for Implementation of the Principles

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

Yes In progress No

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

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Banco Promerica has started its Sustainability Strategy since 2009, which has been improved year after year to cover the different aspects that sustainability encompasses. Since 2015, there has been a social responsibility and sustainability policy which is reported to all employees upon entering the bank.

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Currently, the Board of Directors maintains a constant interest in advancing the topics of this strategy. A Sustainability Committee was created in 2021, with this approval from the Board of Directors, we ensure that they will be informed quarterly about the actions and agreements that are taken on this Committee. A member of the Board of Directors participates in the Sustainability Committee.

There is a commission of social investment for topics related with donations, community actions, volunteering and other topics related. There is a Sustainable Banking area in the bank which is in charge of leading the sustainable strategy.

Sustainability indicators were included in CEO's Balance Scorecard, as follows:

Indicadors:

$\frac{\sum \text{Sustainable Portfolio}}{\text{Total Portfolio}}$	$\frac{\sum \text{Pledge Credit} + \text{Green Mortgage}}{\text{Pledge Credit} + \text{Total Mortgage}}$
<i>Sustainable Funding</i>	$\frac{\sum \text{Sustainable Business Portfolio}}{\text{Total Business Portfolio}}$

The business areas have a cascade indicator and other KPIs that will be monitored throughout the year.

There is a group of collaborators called ProSustainable leaders, they are key for the communication of actions inside their areas.

The main objective of the Sustainability Committee is to become a support body for the Board of Directors for the establishment, monitoring and evaluation of sustainability management; this includes impact measurement, creation of operational or business strategies with a focus on sustainability.

The Sustainability Committee must collectively comply with at least the following functions:

1. *Follow up on the agreements reached in the previous sessions of this Committee.*
2. *Coordinate the sustainability strategy of the family of products axis / sustainable businesses.*
3. *Develop strategies and financial solutions to manage to place the resources obtained from the multilaterals/DFIs and investment funds.*
4. *Evaluate the bank's management and/or its progress in compliance with the public commitments assumed, these being:*
 - *Principles of Responsible Banking (PBR)*
 - *Net Zero Banking Alliance (NZBA) and Collective Committee for Climate Action (CCCA)*
 - *Women Empowerment Principles (WEPs)*
5. *Analyze and monitor the technical assistance received from multilaterals/DFIs and investment funds.*
6. *Review and approve the Bank's sustainability reports.*
7. *Identify and monitor the objectives and key indicators related to sustainability in the different management areas of the bank.*

Maintain adequate communication between the Bank's Sustainability Committee and PFC's sustainability governance bodies, whether general or specific; in such a way that if there are important issues or topics to report, there can be an interaction between both control bodies.

Develop and periodically review policies related to sustainability issues. In addition to the above, perform other functions assigned by the Board of Directors.

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

At Banco Promerica there is a training and development department within the human talent management. Through this department, training, workshops and courses are provided to employees. There is a system called CECVIP in which courses on different topics are published for the different segments of Bank employees as required. Additional training is

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coordinated on sustainability issues such as circular economy, sustainability strategy, gender equality, inclusive communication, physical and mental health issues, as well as information for a better balance between work and personal life.

In order to maintain well-being for employees, health fairs are held and there is a company doctor on site.

5.3 Policies and due diligence processes

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

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

<p><i>Banco Promerica has policies that address environmental and social risks like the following:</i></p> <ul style="list-style-type: none"> • <i>Environmental and Social Risk Management Policy</i> • <i>Environmental and Social Analysis Procedure</i> • <i>List of exclusions</i> • <i>Instructional ARAS Questionnaires</i> • <i>Sustainability Committee Regulations</i> • <i>Sustainable Banking Policy</i> <p><i>The analysis, evaluation, and mitigation of environmental and social risks in customer operations is an integral part of the credit analysis process and decision-making regarding the granting of financing. To this end, the Bank uses the best regional and international practices adapted to the portfolio, the needs of the Bank, its business partners, and other relevant stakeholders. These practices are based on:</i></p> <ul style="list-style-type: none"> ➤ <i>The level of environmental and social risk of the clients' economic activities and how these activities affect the credit portfolio.</i> ➤ <i>Observance of the national regulatory framework on the environment, health, communities and labor rights.</i> ➤ <i>The standards and requirements of its International partners and other Agreements and Pacts in which the Bank participates, including the IFC Performance Standards.</i> ➤ <i>It is the responsibility of the Bank's Board of Directors to establish the policies that will govern its Environmental and Social Risk management process, as well as provide the conditions that favor the management of these risks flowing throughout the organization.</i> ➤ <i>The ARAS (Environmental and Social Risk Assesment) has been improved by adding Climate Risks variants in the process.</i> 	<p><i>Mentioned policies, Sustainability Report 2023.</i></p>
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¹³ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

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

Yes In progress No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

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

The assurance process for the Principles for Responsible Banking (PRB) commitments has been meticulously conducted through by the independent assurer PCR.

Conclusion of the PRB underwriting process by assurer PCR (June 2023.) We will start the assurance for 2024, and have it ready by June 2024.

According to the evidence obtained in the assurance process, we are not aware of any erroneous statements in the responses placed within the PRB self-assessment and reporting template of the UNEP FI of Banco Promerica de Costa Rica S.A., which would lead us to believe that are complying with the Principles for Responsible Banking of the United Nations Environment Programme's Finance Initiative.

Link:
<https://www.promerica.fi.cr/quienes-somos/sostenibilidad/reports/carta-de-aseguramiento-pbr-banco-promerica-costarica/#book/>

6.2 Reporting on other frameworks

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

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

The Sustainability Report comply with the GRI and SASB.

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<p>6.3 Outlook</p> <p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.</p>	
<p><i>During 2024 in Banco Promerica we want to potentiate the green business, identifying opportunities in the top clients with decarbonization opportunities. We will have a program for training in different topics including sustainability, gender equality, adaptation to climate change, ARAS and others.</i></p> <ul style="list-style-type: none"> ➤ <i>We will implement different actions for women customers and women-led SMEs, under our program “Protagonistas”.</i> ➤ <i>We will analyse and do in depth analysis of the agriculture portfolios emissions and define science based targets for them.</i> ➤ <i>We will finish establishing the procedure to quantify physical risks in new clients to determine opportunities for the bank and our clients and to be able to report in S1 y S2.</i> 	<p><i>Strategic Planning for 2024</i></p> <p><i>Sustainability Report 2023.</i></p>

¹⁴ For example outlining plans for increasing the scope by 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 interim targets, developing action plans etc.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

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

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input checked="" type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input checked="" type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

Annex

A set of indicators has been produced for the impact areas of climate mitigation and financial health & inclusion. These indicators will support you in your reporting and in showing progress against PRB implementation. Banks are expected to set targets that address minimum two areas of most significant impact within the first four years after signing the PRB. That means that Banks should ultimately set targets using impact indicators. Acknowledging the fact that banks are in different stages of implementation and on different levels of maturity and therefore might not be able to report on impact from the beginning, a Theory of Change approach has been used to develop the set of indicators below.¹⁶ The Theory of Change shows the **pathway to impact** and considers the relationship between inputs, actions, outputs, and outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found [here](#), the Theory of Change for financial health & 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 conduit for achieving desired impacts (including targets). The Theory of Change allows to identify metrics and set targets which align with a bank's maturity. The indicators below are all connected to a bank's impact and can be considered as steps towards measuring impact. Some of the practice indicators (on the action, output, and outcome levels respectively) are connected to portfolio composition and financial targets¹⁷ (highlighted in **green**) or to client engagement¹⁸ targets (highlighted in **blue**), which enable your overall target. If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex to measure your performance and baseline.¹⁹ Once you have set the target, you can use the indicators as guidance for your action plan as well as defining Key Performance Indicators (KPIs) which you can then use to measure progress against the set targets.

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

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

¹⁸ Client engagement targets involve engaging relevant clients and customers to enable your overall target. The purpose of client engagement is to support clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹⁹ You might not be able to report on all indicators and/or or levels of practice (i.e. from left to right), in which case you should report on all applicable indicators on the respective level of practice no matter if it is an action, output or outcome indicator.

- **For Signatories of the Net-Zero Banking Alliance:** please report on the climate targets set as required in the [Guidelines for Climate Target Setting](#). As a member of the Alliance, you are required to publish first 2030 targets for priority sectors within 18 months and further sectoral targets within 36 months after signing. You can use the PRB template to disclose the required climate target information if its publication date is in line with the committed NZBA timeframe.
- **For Signatories of the Collective Commitment to Financial Health & Inclusion:** please report on financial health and/or financial inclusion targets set as required in the [Financial Health and Inclusion Commitment Statement](#). As a signatory to the Commitment, you have agreed to set a SMART ambitious target within 18 months after signing. To facilitate your process, please refer to the [Guidance on Target Setting for Financial Health and Inclusion](#) and the [Core Indicators](#) to measure financial health and inclusion. Keep in mind that signatories of the Commitment are encouraged to measure as many indicators as possible from the Core Set or their equivalent to be able to set a SMART impact driven target.

Impact area	Practice ²⁰ (pathway to impact)									Impact ²¹		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	Climate strategy: Does your bank have a climate strategy in place?	Established, targets have been established according to PCAF's methodology.	A.2.1	Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	Yes Corporate business clients: Commercial real estate, construction and agriculture Retail: Vehicles	A.3.1	Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	10 % of portfolio are green loans; It has to meet one of the following 4 characteristics: 1. Power generation greater than or equal to 20% with renewable sources. 2. 50% of sales are environmentally friendly products. 3. Companies with local or international certifications*. 4. Improvement of at least 20% in energy efficiency or waste management.	A.4.1	Reduction of GHG emissions: how much have the GHG emissions financed been reduced?	First accountability of GHG emissions of the portfolio was made in September 2022. Reduction of emissions as of December 2022 to December 2023 is 4.6%
	A.1.2	Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	Yes <i>If yes:</i> - please specify: to become net zero by 2050	A.2.2	Absolute financed emissions: What are your absolute emissions (financed	97.787 Tons of CO ₂ e for the following portfolios: Real Estate Trade	A.3.2	Financial volume lent to / invested in carbon intensive sectors and activities and	Banco Promerica has no exposure in these sectors: oil and gas, metals, cement and carbon.	A.4.2	Portfolio alignment: How much of your bank's portfolio is aligned with Paris	We have set climate goals for 30% of our portfolio.

²⁰ Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices

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

			<p>- Emissions baseline / base year: See 2.2.c of this report / base year 2021</p> <p>Climate scenario used:</p> <ul style="list-style-type: none"> - International Energy Agency (IEA) scenarios - GCAM5.3 NGFS scenario 		emissions = scope 3, category 15) in your lending and/or investment portfolio?	<p>Commercial Real Estate Services</p> <p>Tourism</p> <p>Construction</p> <p>Agriculture</p> <p>Transport</p> <p>Industry</p> <p>Housing</p> <p>Electricity</p> <p>And others.</p>		<p>transition finance: How much does your bank lend to / invest in carbon-intensive sectors and activities²²? How much does your bank invest in transition finance²³?</p>	<p>Power generation is all renewable.</p> <p>Transportation represents 11.5% of the portfolio.</p>		(depending on the target set [A.1.2] either 1.5 or 2 degrees)?
	A.1.3	Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	No	A.2.3	Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	See 2.2.c of this report					

²² A list of carbon-intensive sectors can be found in the [Guidelines for Climate Target Setting](#).

²³ Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.

	A.1.4	Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes Real Estate Trade Commercial Real Estate Services Tourism Construction Agriculture Transport Industry Housing Electricity And others.	A.2.4	Proportion of financed emissions covered by a decarbonization target: What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with a transition plan in place?	34.93%						
	A.1.5	Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	Yes Green Loans. They represent 10% of the portfolio.									
B. Financial health	B.1.1	# of products and services in the portfolio with a focus on financial health	Internal data based. Measures how many of the products and services in the portfolio have a financial health focus. We deem a product or service to have this focus when it facilitates decision making and supports	B.2.1	# of individuals supported with dedicated 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 skills-building initiatives offered by the bank. An initiative encompasses	B.3.1	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution.	B.4.1	% of customers with a high level of financial health	Survey and/or transactional data based. Measures the percentage of customers with a high level of financial health according to the score chosen by the financial institution.

			financial health increase based on our definition of financial health. This covers products and services embedded with nudges to simplify decision making, round-up, high yield savings accounts, easy investment tools, etc.			courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.			Should be measured on individuals benefitting from the bank's financial education initiatives.			
	B.1.2	% of relevant employees supported with effective training on	Based on internal data. Measures the percentage of relevant employees	B.2.2 *	% of customers actively using the online/mobile	Transactional data based. Measures the percentage of	B.3.2	% of customers who use the bank's services to create a	Transactional and/or survey data based. Measures the	B.4.2	% of customers for which spending exceeded 90%	Survey and/or transactional data based. Measures the percentage of

		financial inclusion, responsible credit and/or financial health	supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health		banking platform/tools	customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools)		financial action plan with the bank	percentage of customers who create a financial action plan with the bank using the bank's services. A financial action plan is anything that helps the customer build financial resilience. It is done "with the bank" if the bank can visualize, through the transactions of the customer, the results of the plan.		of inflows for more than 6 months last year	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 the total of customers within PRB scope. Focus on main financial institution customers.
	B.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the				B.3.3	% of customers using overdraft regularly	Transactional data based. Measures the percentage of customers using the overdraft option in their accounts or credit cards, regularly. Overdraft can be used to handle unexpected emergencies but more than 1/3 of	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	Survey based data. Measures the percentage of customers that answered positively to feeling confident about their financial situation in the next 12 months compared to the total number of customers surveyed. By

		partnerships in the commentary of the reports.						the year (banks may deviate if proper reasons are provided) denotes regularity and a precursor to lower financial health			confident we mean not feeling worried about their financial situation.
						B.3.4	% of customers with a non-performing loan	Transactional data based. Measures the percentage of customers with past-due loans ("past due" defined by policies at each bank) compared to the total amount of customers with loans in the bank's lending portfolio.	B.4.4	% of customers with products connected to long-term saving and investment plans	Transactional and/or survey data based. Measures the percentage of customers with products connected to long-term saving and investment plans. "Long-term" will depend on each bank's definition.
						B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter.	Transactional data based. Measures the percentage of customers showing an increase or stable amounts in savings and/or deposit AND/OR investment accounts balances, quarter on quarter.	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	Survey based data. Measures the percentage of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense. We consider a major unexpected expense, one that the customer hadn't planned for and would require them to spend more than what they have available for secondary

												expenses in their monthly budget or 1/20th of the country's Gross National Income (banks may deviate if proper reasons are provided). A good example is: unforeseen medical bills, large appliance malfunctioning, car repair, etc. Survey based using the question: "If a major unexpected expense arises, how can you cover it right now?" and give the multiple choice options of insurance, emergency funds, loan, credit card, family/friends, etc.
C. Financial Inclusion	C.1.1	# of products and services in the portfolio with a focus on financial inclusion	Internal data based. Measures how many of the products and services in the portfolio have a financial inclusion focus. We deem a product or service to have this focus when its design facilitates the access and usage by the prioritized customer. For example, no-fee savings account,	C.2.1	# of individuals supported with dedicated 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 skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS	C.3.1	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	Transactional data based. Measures the percentage of customers with 2 or more active financial products, from different categories, with the bank. By active we mean there's at least one usage per month. By category we mean credit/debt, savings/deposit/p

			low interest microloan, offline access or sim-based banking apps, etc			education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.			the bank's financial education initiatives.			ayment, insurance, investment, etc. Once a target has been set for this indicator, we encourage banks to ensure responsible selling policies or other initiatives so that the target doesn't become a toxic incentive.
	C.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit	C.2.2	% of customers with effective access to a basic banking product	Transactional data based. Measures the percentage of customers with effective access to a basic banking product.	C.3.2	% of customers supported with dedicated customer journey/advisory services	"Transactional data based. Where dedicated customer journey/advisory services are in place for			

		and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health			By effective we mean the usage beyond first access. Basic banking products vary by bank. Good examples are: checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-money accounts, etc.			prioritized groups , this indicator measures the percentage of customers using such services. Depending on size of bank, either number or percentage can be the unit of measure.				
	C.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.	C.2.3	# of new customers per month	Transactional data based. Measures the number of new customers per month. Once the bank sets a target, 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 the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including			

									financial health tools, if applicable)			
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