

# 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

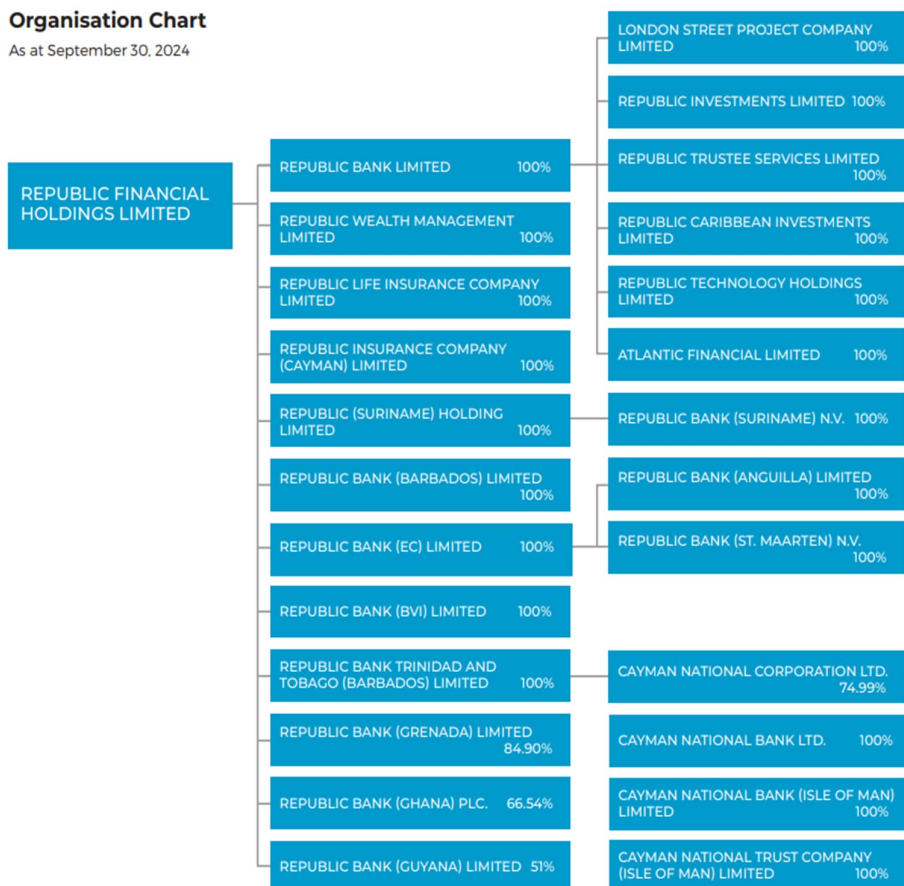
Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information 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.

### Response:

Republic Financial Holdings Limited (RFHL) is the registered owner of all the Banks and Financial Subsidiaries in Republic Group:

#### Organisation Chart

As at September 30, 2024



### Links and references

RFHL Annual Report 2024 (Pg. 59)

<ul style="list-style-type: none"> <li>• Products and Services Summary: <ul style="list-style-type: none"> <li>➤ Consumer Banking</li> <li>➤ Corporate Banking</li> <li>➤ Investment Banking</li> <li>➤ Wealth Management</li> <li>➤ Insurance</li> </ul> </li>   <li>• Main Sectors Financed: <ul style="list-style-type: none"> <li>- Government and Central Government Bodies</li> <li>- Energy and mining</li> <li>- Renewable energy</li> <li>- Electricity and water</li> <li>- Transport, storage and communication</li> <li>- Real estate</li> <li>- Construction</li> <li>- Distribution</li> <li>- Hotels and restaurants</li> <li>- Tourism</li> <li>- Agriculture</li> <li>- Manufacturing</li> <li>- Technology</li> <li>- Financial sector</li> <li>- Other services</li> </ul> </li> </ul>	
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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: -----

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

None of the above

<i>Response:</i>	<i>Links and references</i>
<p>Our Group has established an internal ESG Policy Framework and Guidance Document (“Policy”). This Policy delineates RFHL’s commitments and expectations concerning sustainability, positioning it as a strategic priority for both internal and external stakeholders. It outlines the overarching sustainability principles applicable to all our products/services and the core commitments falling under Environmental, Social, and Governance (ESG) considerations.</p> <p>RFHL acknowledges the necessity of embedding sustainable practices across our internal operations and external influence. Consequently, ESG factors are treated as strategic and operational imperatives within the Group. This approach aims to mitigate risks, capitalise on opportunities, augment our ethical stance, and fulfil our commitments to various global initiatives such as UNEP FI, Principles of Responsible Banking (PRB), and Net Zero Banking Alliance (NZBA).</p> <p>Summary of the Group specific alignment:</p> <p><b>ESG/Sustainable Finance Strategy</b> – RFHL is actively pursuing the integration of ESG principles across all facets of its operations. This includes incorporating ESG factors into our investment and risk management protocols. Such efforts entail evaluating the environmental and social implications of investment opportunities and scrutinizing the governance practices of prospective companies prior to investment decisions.</p> <p>Aligned with our ESG Strategy, RFHL's sustainable financing approach prioritizes socio-environmental risk mitigation, responsible investing, support for Small, Medium, and Micro Enterprises (SMEs), and the development of Sustainable Financial Products.</p> <p>To underscore our dedication to SME customers, we have established a dedicated Centre for Business Innovation Unit aimed at providing comprehensive support to SMEs throughout their business journey. This Unit designs customized loan facilities tailored to the specific needs of vulnerable customer groups. RFHL places particular emphasis on assisting these vulnerable customers to ensure not only their access to financing but also the establishment of sustainable businesses capable of meeting their financial obligations over time. Additionally in May 2024, the Centre for Business Innovation launched a TT\$50 million Agri Business Loan Package focusing on SDG 2, Zero Hunger, which supports the entire agricultural value chain. Loans are made available in tranches of up to TT\$150,000 for small-scale farmers and up to TT\$400,000 for larger agribusinesses, to ensure access at all various levels of operations, along the agriculture supply chain. This structured approach enables tailored support to different farmers and agribusinesses, in line with distinct needs. The mechanism for measuring success is the actual impact these loans are having on agricultural productivity and employment rates within the sector, and ultimately, local economies. The key performance indicator is based on the number and value of loans extended. Republic Bank has publicly announced this development through various social media channels, further stating that this is to ensure sustainable development in regions where it operates. With this agribusiness loan, Republic Bank is making a meaningful intervention into changing the agricultural face of the countries in which it operates, starting with Trinidad and Tobago. Our internal team conducts site visits to farms, offering operational advice with the expertise of our newly appointed Agri Business Consultant, who joined us on May 1, 2024. We also hold financial literacy sessions for farmers, as well as banking sensitization</p>	<p><a href="https://republictt.com/commercial/agri-business-loan">https://republictt.com/commercial/agri-business-loan</a></p> <p><a href="https://www.guardian.co.tt/business/bank-launches-new-agri-loan-6.2.1992199.ad06d37ff1">https://www.guardian.co.tt/business/bank-launches-new-agri-loan-6.2.1992199.ad06d37ff1</a></p>

sessions to further empower them. Through these educational sessions with farmers, we aim to reinforce sustainable farming practices with the hope of improving food security and economic growth to the agricultural sector.

RFHL has additionally founded a life insurance company known as Republic Life Insurance Company (RLIC). RLIC operates as a fully digital insurance platform, offering a multitude of opportunities and benefits to all stakeholders.

Our ESG strategy is aligned as follows:

- (a) **Environment** – RFHL is in the process of reviewing and incorporating sustainability considerations into its lending. This will serve as a guide for stakeholders, enabling them to understand the environmental risks associated with business activities and their impacts on the natural environment, and vice versa.

RFHL has also introduced an Environment and Social Policy ("E&S Policy") and an Environmental and Social Management System ("ESMS") to articulate our commitment and standards regarding environmental and social issues within our lending operations. The ESMS and E&S Policy evaluates the potential environmental and social risks of all loans of \$15 million TTD or less within Trinidad and Tobago. Under this Policy, environmental and social factors are integrated into credit operations and management decision-making in a meaningful and effective manner. Republic Bank Trinidad and Tobago aims to assess the environmental and social impact and risks of clients' business activities associated with lending, minimize adverse effects where feasible, and collaborate with clients to implement appropriate mitigation measures as needed. These clients must commit to either adhering to Republic Bank Trinidad and Tobago's E&S Policy or adopting an equivalent and substantially similar policy or agreement.

Furthermore, we are strategically evaluating our customers' financed emissions across our entire portfolio to encourage engagement in strategies aimed at reducing their negative impact. This includes assessing risks related to greenhouse gas emissions, increasing temperatures, extreme weather events, and regulatory changes targeting carbon emissions reduction.

Internally, ESG is both a strategic and operational objective for RFHL. We are conducting a comprehensive review of all internal operations, policies, and processes through a double materiality assessment. This exercise aims to seamlessly integrate ESG principles into our operations, ensuring efficiency, transparency, and fairness.

Recently, the Group Sustainability Unit engaged the expertise of an ESG Technology Vendor to streamline the gathering and reporting of Scope 1, Scope 2, and Scope 3 data. With operations spanning across 14 territories, tracking, monitoring, and assessing this data presents significant challenges. This software solution will simplify data collection processes and serve as a centralized repository for the Bank's consumption data. Through this platform, the Bank will have the capability to report on our Carbon Emissions and Carbon Footprint, offering real-time analytics, peer evaluations, and customizable reports. The implementation of this application across our network will be

instrumental in enhancing our ability to manage data collection and reporting within the realm of Sustainability.

Additionally, RLIC is a fully digital insurance platform which minimises our carbon footprint and leads to more efficient operations.

- (b) **Social-** Our ESG Policy Framework is designed to pinpoint social risks, aiming to ensure that RFHL has established measures to prevent them and, if they arise, to mitigate and minimize their potential impact. Additionally, through the ESMS framework, social risks are given prominence, enabling our Bank to adopt measures to mitigate the adverse effects of these risks wherever feasible. RFHL has developed a DEI strategy with 3 key focuses: systems, policies and procedures. Currently, we are performing foundational work to inform this strategy. We have a steering committee that is charged with the responsibility of deliberating on various DEI initiatives, challenges and issues. The Group will set practices and initiatives to identify and promote equal opportunities to the diverse groups in our workforce

Further, we have developed our Republic Bank insurance plans rates have no built-in fees, requires no medical reports or assessment and no agent commissions. This not only reduces the costs for our customers but also fosters social inclusivity and responsibility by providing affordable life insurance coverage for all.

- (c) **Governance -** RFHL maintains an ongoing evaluation of the strategic governance components within the organization to promote the integration of robust risk management practices and transparent decision-making processes. Within our ESG Policy Framework, we have pinpointed risks related to internal governance and management practices and have devised preventive measures accordingly.

Through the ESG perspective, the Group is actively tackling and integrating corporate governance principles, stakeholder responsibilities, Diversity, Equity, and Inclusion (DEI) principles, anti-corruption measures, accountability frameworks, risk management protocols, data security standards, and advancements in technology and innovation.

- (d) **SDG Alignment-** RFHL has incorporated the Sustainable Development Goals (SDGs) within our Corporate Social Responsibility (CSR) and philanthropic endeavours. Each subsidiary within the RFHL Group has chosen specific SDGs as focal points for corporate support. Our Group Marketing and Communications Department (GMC) and Human Resources (HR) Department have collaborated to develop various SDG-aligned programs under our "Power to Make a Difference" initiative and other philanthropic endeavours, aimed at enhancing the quality of life for both our internal and external stakeholders.

These Goals also serve as a guiding framework for refining and enhancing our existing retail and credit portfolios. The RFHL Group is dedicated to aligning with all 17 SDGs, with particular emphasis on SDG Goals 13 (Climate Action) and 17 (Partnerships for the Goals), prioritizing both specific and overarching objectives. We firmly believe that meaningful partnerships enable us to make a more significant impact.

<p>Furthermore, we are in the process of implementing a data capture software system to effectively store, monitor, evaluate, and eventually report on our progress toward SDG alignment. Through this software, we aim to continually enhance our initiatives in line with the SDGs.</p> <p>(e) <b>Climate Strategy</b> – RFHL acknowledges and embraces its responsibility as a driver and enabler of climate change mitigation and adaptation within our sphere of influence. We have committed to lending USD 200 million in climate financing by 2025, and currently, we have achieved 82% of this target. As founding signatories of the Net Zero Banking Alliance (NZBA), we are actively reviewing our client portfolio in an effort to assist in this just transition by establishing sectoral targets and working towards formulating decarbonisation strategies for these sectors. . Consequently, we have established emission reduction targets in sectors identified as high-emitting by the NZBA. Specifically we have set two emission reduction targets in the real estate and power generation sectors, which collectively cover over 50% of our critical sector portfolio exposure. Additionally, we are currently developing roadmaps and implementing systematic tools to engage our customers in promoting climate responsibility.</p>	<p><a href="https://republiclifett.com/">https://republiclifett.com/</a></p> <p><a href="https://republiclifett.com/2023/03/31/republic-life-helping-you-prepare-for-tomorrow-today/">https://republiclifett.com/2023/03/31/republic-life-helping-you-prepare-for-tomorrow-today/</a></p>
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## 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 regularly<sup>1</sup> and fulfil the following requirements/elements (a-d)<sup>2</sup>:

- 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.

<i>Response</i>	<i>Links and references</i>
<p>In 2021, the Group utilized UNEP FI's impact analysis tool to ascertain the positive and negative environmental and social impact of the Group's activities. The impact analysis considered the Group's three core portfolios, namely our:</p> <ul style="list-style-type: none"> <li>• Retail Portfolio which targets individual customers,</li> <li>• Commercial Portfolio which targets businesses and</li> </ul>	

<sup>1</sup> 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.

<sup>2</sup> Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

- Corporate Portfolio which targets larger clients and those clients beyond the Group's countries of incorporation.

Our Wealth Management and Insurance portfolios were not considered in the impact analysis due to the limitations of the tool. We are working on updating this information.

While all geographies were considered in the impact analysis, majority of RFHL's activity resides in Trinidad & Tobago, Cayman Islands and Barbados, therefore our significant impact areas were more prevalent in these countries.

**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 & industries<sup>3</sup> 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.

*Response:*

RFHL's composition can be broken down into:

Geographical portfolio:

Country	% of banking portfolio
Trinidad & Tobago	50%
Cayman Islands	12%
Barbados	9%
Guyana	5%
British Virgin Islands	4%
Grenada	4%
St. Lucia	4%
Ghana	3%
St. Kitts and Nevis	2%
Sint Maarten (Dutch part)	2%
Suriname	2%
Anguilla	1%
Dominica	1%
St. Vincent and the Grenadines	1%

Business portfolio:

Portfolio	% of banking portfolio
Retail banking	38%
Commercial banking	15%
Corporate banking	47%

*Links and references*

<sup>3</sup> 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

As at September 2024, RFHL has determined the composition of its investment and lending portfolio for the fiscal 2023-2024, as seen below:

Sector	% of portfolio
Government and Government Bodies	19
Financial Sector	15
Energy and Mining	2
Agriculture	0
Electricity and Water	1
Transport Storage and Communication	2
Distribution	5
Real Estate	6
Manufacturing	3
Construction	4
Hotel and Restaurant	2
Personal	31
Other services	10

**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?<sup>4</sup> Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

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

**Response**

The absence of legislation frameworks in many of the Group's operating countries presents a major hurdle for sustainable development endeavours. Consequently, any sustainable initiatives pursued by RFHL are purely voluntary. It's crucial to recognize that without legal mandates for sustainability, there might be diminished enthusiasm in engaging in sustainable practices and a commitment to sustainability. This is based solely on secondary research, utilising publicly available resources such as governmental databases, reports, online publications and news articles. We have not conducted any direct consultation or engagement with stakeholders to inform this element of the impact analysis.

Further, the lack of coordination among the national development plans of operating countries poses a significant obstacle of presenting a unified sustainable approach to negative impact areas. When countries pursue sustainability goals in isolation, it undermines the effectiveness of collective efforts to address climate change and other related issues. As such, each country within RFHL's sphere of influence has been assigned particular SDGs that strategically align with their SDG priority. Through our Power To Make A Difference program, each country engages in environmental and social initiatives that align with their assigned SDG in order to improve the quality of life of our stakeholders.

Data availability and data quality has also presented challenges. Without reliable and comprehensive data, RFHL faces challenges in assessing impacts, tracking progress of our initiatives and formulating evidence based policies. RFHL's Group Sustainability Unit (GSU) has engaged in the procurement of an ESG

**Links and references**

<sup>4</sup> Global priorities might alternatively be considered for banks with highly diversified and international portfolios.



<p>data platform that will allow Units and Branches to input relevant ESG data. This would provide the GSU with the necessary data needed to set targets and make informed decisions about the Group's goal to achieving net-zero by 2050.</p> <p>RFHL remains committed to collaborating with both internal and external stakeholders to promote sustainable practices, raising awareness about the significance of sustainability principles and initiatives.</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)<sup>5</sup>? Please disclose.</p>	
<p><i>Response</i></p> <p>Based on the impact analysis conducted in 2021, RFHL has identified the following positive impact area for the majority (53%) of its operations:</p> <ul style="list-style-type: none"> <li>➤ Employment</li> <li>➤ Justice</li> <li>➤ Housing</li> </ul> <p>The significant negative impact areas include:</p> <ul style="list-style-type: none"> <li>➤ Climate</li> <li>➤ Resource efficiency</li> <li>➤ Inclusive, healthy economies</li> </ul> <p>Based on the above, RFHL has decided to set targets for the Group's significant negative impact areas. These targets set under the climate mitigation impact focus on alleviating the adverse effects of climate change and enhance resource efficiency. Additionally, financial health and inclusion targets aim to foster inclusive, robust economies.</p>	<p><i>Links and references</i></p>
<p><b>d) For these (min. two prioritized impact areas): <u>Performance measurement.</u></b> Has your bank identified which sectors &amp; 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.</p> <p>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&amp;inclusion as your most significant impact areas, please also refer to the applicable indicators in the <a href="#">Annex</a>.</p> <p>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.</p> <p><i>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.</i></p>	

<sup>5</sup> 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.

*Response:*

Through the Impact Analysis conducted, RFHL has indentified the following per business portfolio:

Retail banking which is 38% of the Group's portfolio:

<b>Positive Impact Areas</b>	<b>Negative Impact Areas</b>
Employment	Inclusive, healthy economies
Justice	Resource efficiency
Housing	Climate

Commercial banking which is 15% of the Group's portfolio:

<b>Positive Impact Areas</b>	<b>Negative Impact Areas</b>
Inclusive, healthy economies	Climate
Mobility	Resource efficiency
Health and sanitation	Culture and heritage

Corporate banking which is 47% of the Group's portfolio:

<b>Positive Impact Areas</b>	<b>Negative Impact Areas</b>
Availability of water	Strong institutions, peace and stability
Mobility	Culture and heritage
Resource efficiency	Health and sanitation

RFHL's portfolio impact analysis reveals key positive contributions in employment, mobility, resource efficiency, and housing, while noting negative impacts in climate, resource inefficiency, and cultural heritage, particularly affecting low- and middle-income populations. We have noted similar trends in the positive and negative significant impact areas in our retail and commercial business portfolios. These two portfolios make up the 53% of our business activity across the Group. The persons primarily affected in these portfolios are low and middle income populations. Based on the negative impact areas of climate, resource efficiency and inclusive, healthy economies, RFHL has opted to set targets in climate mitigation and financial health and inclusion.

We are conducting a data cleanup exercise to enhance our understanding of customer types within various industries. Using the critical sectors identified by the Net Zero Banking Alliance, we aim to better segment these areas. While our current portfolio analysis lacks a detailed breakdown of customer types, this is a key focus area we are actively working on.

Climate Mitigation:

RFHL has a set an emissions reduction target for the commercial real estate sector. The Group has measured its financed emissions for this sector based on available data. We are continuing to expand and improve the quality of our data in order to accurately monitor and track financed emissions for this sector.

Financial health and inclusion:

RFHL has observed a deficiency in financing available to Micro, Small, and Medium Enterprises (MSMEs) in Trinidad & Tobago. According to a survey conducted by the Central Bank of Trinidad and Tobago in December 2022, MSMEs sought an average of TT\$126,000 in financing over the past five years.

*Links and references*

<https://www.central-bank.org.tt/sites/default/files/page-file-uploads/government-role-in-financial-inclusion-20232209.pdf>

However, they only received approximately 16.3% to 25.3% of the requested amount, resulting in an estimated financing gap of \$94,000 to \$106,000 for MSMEs. Additionally, the Ministry of Labour and Small Enterprise Development (MOLSED) in Trinidad and Tobago noted that out of approximately 25,000 registered businesses, about 90% are classified as micro or small enterprises.

<https://www.ttparliament.org/wp-content/uploads/2021/11/p11-s5-J-20201023-FLA-R9-MR-MOLSED.pdf>

Upon internal examination of our customer base, RFHL identified 13,219 MSME customers within the Group. Recognizing the significant role MSMEs play in fostering economic growth, we acknowledge their critical importance. Consequently, we are committed to increasing the number of MSMEs accessing financing as a means to enhance their financial well-being.

We are pursuing various strategies to improve MSMEs' access to financing. Our Bank will disburse funds in lump sums or tranches to target vulnerable groups within the MSME sector. Collaborating with these groups, we aim not only to establish sustainable businesses but also to ensure their ongoing ability to manage their facilities without adverse effects on their credit scores.

RFHL acknowledges that the stringent requirements imposed by financial institutions, such as the need for audited financial data, can pose challenges for some MSME customers. Thus, we aspire to ease lending criteria for MSMEs, enabling more of them to access financing and consequently contribute to the growth of our economy.

The Group is currently in the process of selecting appropriate key performance indicators to evaluate the effectiveness of our new MSME financing criteria. This initiative aims to ensure that our MSME customers receive products and services tailored to their specific needs.

### 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?<sup>6</sup>**

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

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

*Climate change mitigation,*

*Financial health & inclusion*

**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

<sup>6</sup> 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.

- 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)*

*Due to data issues, we have not been able to update our UNEP FI impact analysis prior to this reporting period. We are implementing systems to address this issue, ensuring that data is automatically and accurately updated moving forward.*

## 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<sup>7</sup> 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 with<sup>8</sup> 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.*

*Response:*

RFHL has set inaugural targets which aligns with our activities, products and services. These targets are linked to the SDGs, our operating countries' commitments under the Paris Agreement and the relevant international, regional and national frameworks.

RFHL operates in 16 countries, with diverse economic, social and geographical landscapes in the Caribbean as well as Ghana. Given that Trinidad & Tobago's has not expressed a commitment nor a plan for reaching net zero by 2050, it is not possible to take existing country policy or emission reductions as reference for target setting. This also applies to the other countries in which the Republic Bank has operations. International sources for net zero scenarios were reviewed including the SBTi tool and the NGFS 1.5 scenario, which does have downscaled data for Trinidad & Tobago regarding the reduction of energy consumption for commercial and residential buildings. This was not found to be adequate to be applied, as it was not clear what assumptions were made by the model to draw the curve and if that could be applicable for the other countries where Republic Bank operates.

Therefore, it is difficult to reference existing county policies and/ or emission reductions for the target setting for the Group.

### **Real Estate Sector Target**

When setting our commercial and residential real estate, we explored international sources for net zero scenarios including the Science- Based Targets Initiative (SBTi) tool and the Network for Green Financing System (NGFS 1.5 scenario). The NGFS 1.5 scenario provided downscaled data for Trinidad and Tobago regarding the reduction of energy consumption for commercial and residential buildings. However, its applicability was deemed insufficient due to ambiguity regarding the underlying assumptions of the model and its transferability to other countries within our Group's operational scope.

The scenario chosen was sourced IEA's Net Zero model. The data available encompass the whole world with a curve for reducing energy consumption from buildings. The curve is drawn based on some key milestones for the sector:

- By 2030: all new buildings are zero-carbon ready
- By 2040: half of existing buildings retrofitted to zero-carbon ready levels
- By 2050: more than 85% of buildings are zero-carbon ready

*Links and references*

[https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector\\_CORR.pdf](https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf)

<https://ttgbc.org/energy-efficiency/>

The target was set taking into consideration the average energy intensity of commercial buildings in Trinidad and Tobago and an average electricity emission factor for the region of the Caribbean, given the fact that real estate properties are distributed throughout the region. Given that our Group has real estate distributed throughout the region, this is a conservative calculation. This generates the point of start of 139 tCO<sub>2</sub>e/m<sup>2</sup> per year as an emission intensity baseline to be reduced.

As such, RFHL has established an intermediary emissions intensity target for our commercial real estate sector. We are committed to: A reduction of 26.4% of the current estimated emission intensity from the real estate sector from 0.13139tonCO<sub>2</sub>e/m<sup>2</sup> per year to 0.096 tonCO<sub>2</sub>e/m<sup>2</sup> per year by 2030. This target to reduce carbon emissions intensity is consistent with the Paris Agreement's requirement for countries and sectors to decarbonize in line with net-zero pathways. By targeting energy reductions and promoting zero-carbon-ready buildings by 2030, RFHL supports the shift toward low-emission infrastructure, a key component of Article 4 of the Paris Agreement, which calls for rapid emissions reductions across sectors.

RFHL's real estate target, guided by the IEA's Net Zero model, aims to reduce the carbon intensity of commercial real estate by 26.4% by 2030, supporting:

- **SDG 11 (Sustainable Cities and Communities):** By promoting zero-carbon-ready buildings, RFHL fosters sustainable urban infrastructure.
- **SDG 13 (Climate Action):** The targeted reduction of 0.13139 tonCO<sub>2</sub>e/m<sup>2</sup> to 0.096 tonCO<sub>2</sub>e/m<sup>2</sup> aligns with global efforts to limit warming to 1.5°C, directly contributing to the Paris Agreement goals.
- **SDG 7 (Affordable and Clean Energy):** Encouraging energy-efficient practices in real estate supports the transition to cleaner energy consumption.

### Financial Health and Inclusion

Republic Financial Holdings Limited (RFHL) is committed to promoting financial health and inclusion across the regions we serve. As a proud signatory of the Principles for Responsible Banking (PRB), we prioritize aligning our business practices with the Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

In accordance with our UNEP FI impact analysis which determined that our 2<sup>nd</sup> impact area was Financial Health and Inclusion. Each of the Caribbean islands and Ghana, countries where we operate, are quite different in terms of economic structure, governments, policies and financial layout. All countries, with the exception of Ghana, do not have ESG legislation and/ or ESG mandatory reporting implemented. In consideration of the diverse landscapes, the lack of legislative and regulatory systems surrounding ESG and Sustainability in the countries we operate in, we decided to zone into one country in order to establish

<https://rfhl.com/wp-content/uploads/2022/11/RFHL-NZBA-Targets-Announcement.pdf>

<https://www.central-bank.org.tt/sites/default/fi>

<sup>7</sup> Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

<sup>8</sup> 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.

a target specific to it. This allows us to develop products and services particular to the needs of the country.

After analysis of our market share per country, we have selected Trinidad and Tobago to establish a financial health and inclusion target as a significant portion of our portfolio i.e., 50% of RFHL's banking business is held here. Once this target is set and a strategy is formalized for Trinidad and Tobago, we intend to rework this target for introduction to the rest of the countries we operate in.

Under the Nationally Determined Contribution (NDC) Implementation Plan, Trinidad and Tobago has committed to a 15% reduction in greenhouse gas emissions from three main emitting sectors – Power Generation, Transport, and Industry – by 2030. The second goal is to reduce emissions by 30% in public transportation, also by 2030. The energy sector is expected to reduce venting and flaring – essentially burning off excess fossil fuels – to achieve a 15% cut.

Trinidad and Tobago NDCs all align with the impact area of Climate Mitigation and Adaption. There are no NDCs set to drive financial health and inclusion within Trinidad and Tobago. This is an unfortunate reality as investment and diversification of the financial sector is intrinsic for developing countries. Financial development is linked to the growth, availability and access to financial instruments. Having a well-established financial system can facilitate poverty reduction, economic growth and reduce inequalities.

The Central Bank of Trinidad and Tobago conducted a survey in December 2022 to collect information on MSMEs access to financing within the country. It was estimated that MSMEs applied for an average of TT\$126,000 in financing over the last five years. However, these firms received roughly 16.3% to 25.3% of their requested funding, resulting in an estimated MSME financing gap of \$94,000 to \$106,000.

As such, our Bank has taken the decision to establish a target in this impact area, focusing on our Micro, Small and Medium- Enterprise (MSME) customers. Within Trinidad and Tobago there are approximately 20,000 to 25,000 Small and Medium- Enterprises comprising approximately 85% of all registered businesses. These businesses also employ citizens of Trinidad and Tobago and contribute to our overall Gross Domestic Product (GDP).

In consideration of this gap faced by MSME customers and the urgent need for access to financing for our MSME customers,

*Republic Bank Limited has set a target to increase loan allocation for Micro, Small and Medium- Enterprise (MSME) customers disbursing TT\$200 million by 2025 in Trinidad and Tobago.*

The intent is to establish this fund in Trinidad and Tobago and after implementation, lessons learnt and improvements made, we will replicate throughout all of our other territories.

By prioritizing financial inclusion for MSMEs, RFHL helps small businesses adapt to climate risks, a key focus of the Paris Agreement's Article 7, which stresses enhancing resilience and reducing vulnerability to climate change.

RFHL's target to disburse TT\$200 million in loans to Micro, Small, and Medium Enterprises (MSMEs) by 2025 reflects its commitment to financial inclusion and economic growth.

[les/page-file-uploads/government-role-in-financial-inclusion-20232209.pdf](#)

<https://www.rfhl.com/wp-content/uploads/2024/07/Disclosure-Financial-Health-Inclusion-Target.pdf>

This initiative addresses:

- **SDG 1 (No Poverty):** Facilitating access to financing supports poverty alleviation by empowering small enterprises and stimulating local economies.
- **SDG 8 (Decent Work and Economic Growth):** By providing critical financing, RFHL enables MSMEs—85% of Trinidad and Tobago’s registered businesses—to thrive, contributing to GDP and employment growth.
- **SDG 10 (Reduced Inequalities):** The focus on vulnerable groups within the MSME sector helps bridge financing gaps, ensuring equitable economic opportunities.

Our Bank will disburse funds in lump sums or tranches, specifically targeting and collaborating with vulnerable groups within the MSME sector. The initial release of TT\$50 million occurred in June 2023 and was accessible to all MSMEs without specific subsector targeting. The aim of this tranche was to raise awareness within the MSME community that RFHL is actively taking steps to facilitate financing access. Looking ahead, RFHL intends to continue releasing tranches with a focus on specific vulnerable groups within the MSME sector.

To track our progress toward lending TT\$200 million by 2025, we will utilize the following metrics:

- Quarterly count of MSMEs accessing the loan facility.
- Quarterly count of new MSMEs accessing the loan facility.
- Total loan amount disbursed per quarter.
- Monthly delinquency rate.

We will analyze the data obtained from these metrics to evaluate the effectiveness of our facility in serving these customers and to identify opportunities for improvement and enhanced service delivery.

Further our Group has set the following internal objectives in an effort to mainstream ESG into our operations:

**ESG (Environmental, Social, Governance):**

- By 2025, to mainstream ESG as the Group’s strategy for doing business
- By end of 2025 to have a standalone ESG report.

**Climate:**

- By 2025 - Increase Renewable Energy lending & manage credit exposure to manage negative impact clients within PRB/IFC/IDB targets
- By 2025 establish a Climate Resilience Program for our customers and clients.
- To continue to offer electric vehicles as part of benefit packages
- By 2025- lend, invest or arrange USD \$200 million to reduce the impacts of climate change and help develop resilient, climate adaptive infrastructure across all territories. Under this facility we intend to fund:
  - Low carbon generation and renewable energy projects
  - Energy efficiency projects
  - Climate and energy resilient options
  - Clean fuel substitutes
  - Sustainable Land Management and Agriculture
  - Waste management and Circular Economy options
  - Water efficiency and waste water treatment
  - Circular economy manufacturing and packaging
  - Sustainable transportation
  - Sustainable real estate and construction



- Pollution control
- Carbon capture and emission reduction opportunities
- By 2050 we are committed to achieving Net Zero greenhouse gas emissions in our internal and external operations

**Diversity, Equity and Inclusion (DEI):**

RFHL has developed a DEI strategy with 3 key focuses: systems, policies and procedures. We have a steering committee that is charged with the responsibility of deliberating on various DEI initiatives, challenges and issues. The Group will set practices and initiatives to identify and continue promotion of equal opportunities to the diverse groups in our workforce. In 2022, we surveyed the entire RFHL staff body to create a baseline for our understanding of challenges and opportunities in the DEI space for our bank.

Our DEI focus includes the following objectives:

- To encourage and foster a collective inclusive mindset
- Ensuring that RFHL’s leadership embodies and influences DEI

Thus far, RFHL has:

- Dispatched 8 communication pieces to the staff body. 4 of these pieces were knowledge and awareness guides.
- Survey dispatched in 2022 on DEI. This survey analysed 27 dimensions of DEI and from our results, RFHL has selected 6 dimension focus areas: Age, Gender Equality, Geographic Location, Race, Religion and Sexual Orientation.
- Within each territory, working groups were created to ensure the message and journey for DEI is pushed forward in each territory. In the Caribbean we are quite diverse and RFHL is already an equal opportunity organisation. They are focused on championing DEI within each territory and they are currently executing their DEI initiatives.
- From December 2023 to March 2024, we kicked off training sessions with the working groups and the executive leadership teams on DEI. For the executive team with 1 virtual sessions and thereafter all day in person sessions. The course totalled 18 hours of training with trainees being guided in various inclusive leadership behaviours such as: Growth Mindsets, Unlearning and Relearning, Dismantling Bias and Privilege, Social Identity, Microaggressions and Psychological Safety. The working groups embarked on a 3- module webinar series from March 2024 to May 2024, totalling 4 and ½ hours for each participant. Trainees were guided in the aread of Understanding DEI & Reducing Bias, Microaggressions, Clarifying the working group’s purpose and strategies for engagement, influence and sharing DEI information.
- We are currently reviewing all of our policies internally.
- We have enhanced the Trinidad and Tobago staff loan package in line with the benefits that the customers receive.
- We reinstated the remote work policy for the staff in Trinidad and Tobago.
- In Trinidad and Tobago we have reworked our pension plan to include same sex partners as beneficiaries.

**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:

Impact area	Indicator code	Response
Climate change mitigation	A.1.2	
	...	
	...	

Impact area	Indicator code	Response
Financial health & inclusion	...	
	...	
	...	

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.

*Response:*

For the climate change mitigation target, a baseline year of 2021 was selected. The metrics are as follows:

1. The number of mortgages linked to properties holding green building certifications.
2. The overall greenhouse gas emissions linked to the properties financed
3. Absolute emissions across Scope 1, Scope 2, and Scope 3 greenhouse gas emissions linked to the property financed
4. Properties utilizing solar panels for heating and electricity.
5. Properties characterized by significant size yet occupied by an elderly owner, or smaller properties accommodating families of four or more individual.

We are in the process of refining these metrics as part of developing our decarbonization action plan.

For the financial health and inclusion target, a baseline of 2023 was selected. To track our progress toward lending TT\$200 million by 2025, we will utilize the following metrics:

- Quarterly count of MSMEs accessing the loan facility.
- Quarterly count of new MSMEs accessing the loan facility.
- Total loan amount disbursed per quarter.
- Monthly delinquency rate.

*Links and references*

**c) SMART targets** (incl. key performance indicators (KPIs)<sup>9</sup>): 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.

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

Response	Links and references
<p><b>For Climate Change Mitigation:</b></p> <p><i>A reduction of 26.4% of the current estimated emission intensity from the real estate sector from 0.13139tonCO2e/m2 per year to 0.096 tonCO2e/m2 per year by 2030.</i></p> <p>The metrics are as follows:</p> <ol style="list-style-type: none"> <li>1. The number of mortgages linked to properties holding green building certifications.</li> <li>2. The overall greenhouse gas emissions linked to the properties financed</li> <li>3. Absolute emissions across Scope 1, Scope 2, and Scope 3 greenhouse gas emissions linked to the property financed</li> <li>4. Properties utilizing solar panels for heating and electricity.</li> <li>5. Properties characterized by significant size yet occupied by an elderly owner, or smaller properties accommodating families of four or more individual.</li> </ol> <p>For our strategy for this target, we are exploring diverse incentives aimed at encouraging our current portfolio to adopt energy-efficient systems. In places like Barbados, where regulations permit individuals to sell surplus power to the grid, such incentives have demonstrated efficacy. However, in regions such as Trinidad and Tobago, where there's a lack of ESG or climate-related legislation, these strategies and incentives is challenging. To address this, we are devising a communication strategy to raise awareness and foster general interest in renewable energy among our customers. We hope through this, more customers will be interested and understand the tangible benefits of transiting to renewable energy. Additionally, we are establishing a Climate Resilience Program designed to support our customers in effectively coping with and mitigating the impacts of climate change, thereby preventing further exacerbation of these effects.</p> <p><b>Financial Health and Inclusion Target</b></p> <p>As part of our commitment to the PRB, RFHL has unveiled a target focused on Financial Health and Inclusion. RFHL operates across 16 distinct countries, including several small island developing states (SIDs). Establishing a target in this area is crucial, as enhancing the investment and diversification of the financial sector is fundamental for the progress of developing nations. The advancement of financial services is directly linked to the expansion, availability, and accessibility of financial tools. A well-established and inclusive financial system plays a pivotal role in facilitating poverty alleviation, fostering economic growth, and mitigating inequalities. Recognizing the paramount importance of the financial sector, RFHL has opted to set a target aimed at assisting Micro, Small, and Medium Enterprises (MSMEs) in accessing financing to enhance their financial health and achieve long-term sustainability in their operations. This involves enhancing access to traditional bank loans and integrating these businesses into the formal economy.</p> <p><i>Republic Financial Holdings Limited has a commitment to: Increase access to financing for Micro, Small and Medium Enterprises (MSME) customers in Trinidad and Tobago, disbursing TT\$200 million by 2025, benefiting a minimum of 1500 MSME customers.</i></p> <p>RFHL aims to expand the pool of MSME customers accessing financial services. We will collaborate closely with our customers to help them manage their finances effectively. Our progress towards lending TT\$200 million to MSME</p>	

customers by 2025 will be consistently assessed through diligent tracking, monitoring, and evaluation. We have established specific metrics to gauge our performance in this regard, with dedicated reporting mechanisms within the bank.

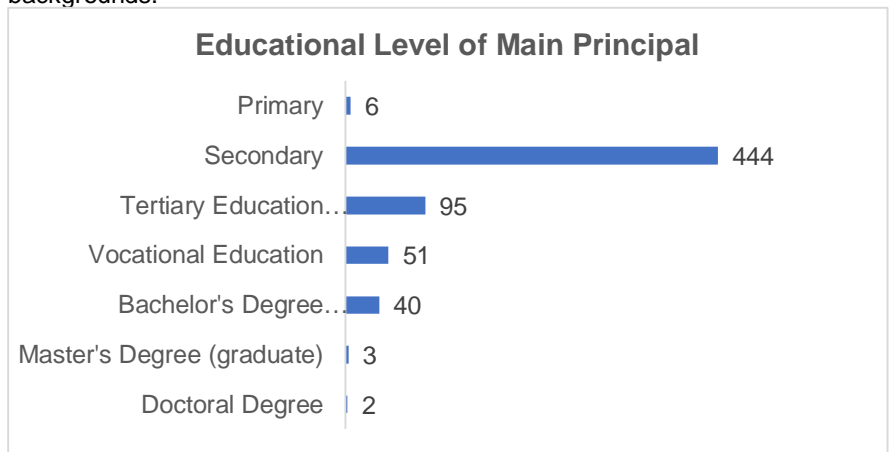
To track our progress toward lending TT\$200 million by 2025, we will utilize the following metrics:

- Quarterly count of MSMEs accessing the loan facility.
- Quarterly count of new MSMEs accessing the loan facility.
- Total loan amount disbursed per quarter.
- Monthly delinquency rate.

We will analyze the data obtained from these metrics to evaluate the effectiveness of our facility in serving these customers and to identify opportunities for improvement and enhanced service delivery.

Thus far we have reached 49% of our target lending to 1281 customers of which 639 are women led businesses We are continuing to monitor and track this target.

We are also closely tracking the education level of borrowers to promote inclusive lending and ensure access to financial resources across diverse backgrounds.



**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.

*Response:*

**For Climate Change Mitigation:**

For our strategy for this target, we are exploring diverse incentives aimed at encouraging our current portfolio to adopt energy-efficient systems. In places like Barbados, where regulations permit individuals to sell surplus power to the grid, such incentives have demonstrated efficacy. However, in regions such as Trinidad and Tobago, where there's a lack of ESG or climate-related legislation, these strategies and incentives is challenging. To address this, we are devising a communication strategy to raise awareness and foster general interest in

*Links and references*

renewable energy among our customers. We hope through this, more customers will be interested and understand the tangible benefits of transiting to renewable energy. Additionally, we are establishing a Climate Resilience Program designed to support our customers in effectively coping with and mitigating the impacts of climate change, thereby preventing further exacerbation of these effects.

Indirect impacts, such as potential increases in construction costs due to energy efficiency requirements and the accessibility of energy-efficient technologies, are being considered. Plans are in train to develop strategies that will mitigate these effects.

**Financial Health and Inclusion Target**

Our Bank will disburse funds in lump sums or tranches, specifically targeting and collaborating with vulnerable groups within the MSME sector. The initial release of TT\$50 million occurred in June 2023 and was accessible to all MSMEs without specific subsector targeting. The aim of this tranche was to raise awareness within the MSME community that RFHL is actively taking steps to facilitate financing access. In May 2024 and October 2024, additional two tranches of TT\$50 million were released, focusing specifically on agribusinesses. Looking ahead, RFHL intends to continue releasing tranches with a focus on specific vulnerable groups within the MSME sector. For each of these tranches, we will ensure that we seek expert advice and ensure our customers are equipped with the knowledge and guidance to create sustainable businesses.

The target to disburse TT\$200 million in loans to MSME customers in Trinidad and Tobago by 2025 could result in indirect risks such as over-indebtedness or challenges for MSMEs in maintaining repayment schedules during economic downturns. To address these, we have implemented measures such as financial literacy programs for MSMEs, capacity-building initiatives, and closely monitoring the delinquency rates to identify and mitigate any financial stress early.

**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: ... <i>(please name it)</i>	... second area of most significant impact: ... <i>(please name it)</i>	<i>(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)</i>
Alignment	<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 checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input 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 checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input 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 2<sup>nd</sup> 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.

*Response:*

RFHL recognises that in order to achieve our targets and include new and more aggressive ones, we must commit to strategically and operationally integrating ESG as our way of doing business.

**Climate Change Mitigation Target**

This year are still in the process of developing an action plan, tailored to our territories where we operate, and the requisite metrics to start monitoring, tracking and evaluating this target. We have retained an ESG software platform which will assist us with tracking our progress to achieve this target. We are still finanlising our action plan for this target.

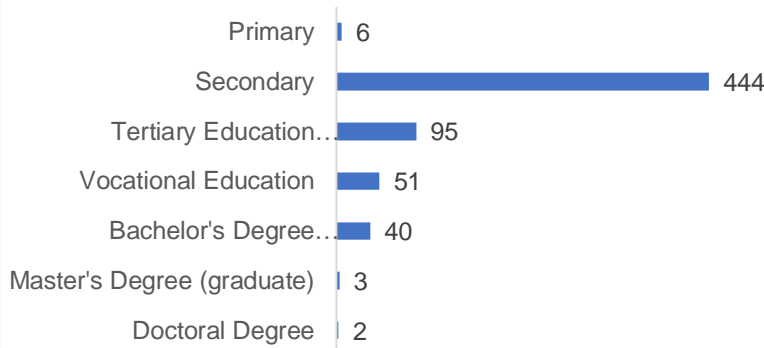
**Financial Health and Inclusion Target**

This target was only established as of July 2023 and we are seeing great results thus far. We have accomplished 49% of this goal lending to 1281 customers of which 639 are women led businesses We are continuing to monitor and track this target.

We are also closely tracking the education level of borrowers to promote inclusive lending and ensure access to financial resources across diverse backgrounds.

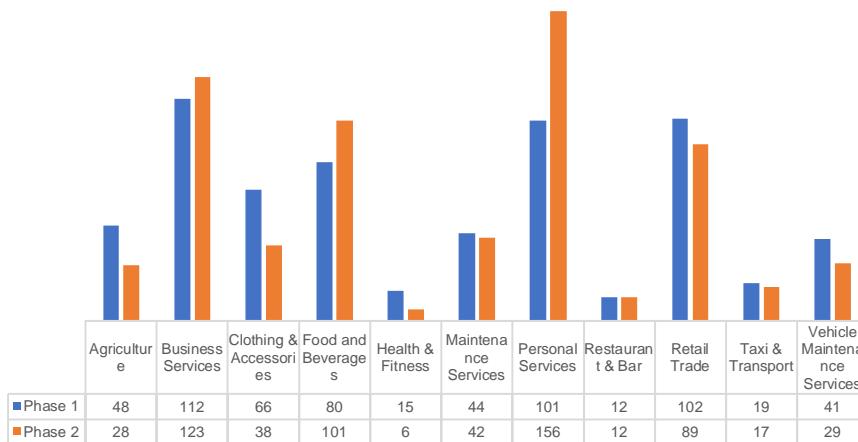
*Links and references*

### Educational Level of Main Principal



The graph below displays the types of businesses we have lent to under this loan facility.

### MSME Customer Business Categories



- **ESG** - In 2021, our Group expressed its intention to set up a Group Sustainability Unit to manage this ESG process. In 2022, this Unit was formalized and is currently developing and pursuing our ESG agenda. Regarding our targets the following are the ways in which we have defined our actions to meet our climate targets and to monitor progress thus far.
  - In 2022, RFHL hired a Group Sustainability Officer, who was tasked with formalizing the Group Sustainability Department. In 2023, the Group hired a Sustainability Specialist in International Agreement, Sustainability Specialist for ESG and a Sustainability Data Specialist. The Group also engaged in a Group-wide ESG scan to determine RFHL's ESG baseline and Maturity Assessment.
  - RFHL has established an intermediary emissions intensity target for our commercial real estate sector. We are committed to: A reduction of 26.4% of the current estimated emission intensity from the real estate

sector from 0.13139tonCO2e/m2 per year to 0.096 tonCO2e/m2 per year by 2030.

Other qualitative progress is as follows:

- All territories have reviewed and selected specific ESG/SDG areas of focus. Plans are currently being created to implement and monitor metrics.
- Cross functional committees to be set up to monitor progress against metrics.
- Refining our ESG stakeholder strategies by considering more outreach options.
- **Climate** – RFHL has a formalised ESG Policy Framework. Our ESG policy and framework document details the overarching and guiding sustainability principles applicable to all our products/services core commitments under the umbrella of Environmental, Social and Governance. A crucial principle to the Policy is the identification of Environmental, social and governmental (ESG) related risks. The environmental risks are risks associated with the impact of business activities on the natural environment. This includes Climate-related risks such as greenhouse gas emissions, rising temperatures, extreme weather events, and regulatory changes aimed at reducing carbon emissions. To ensure climate related risks are identified and assessed correctly, the Group Sustainability Unit conducts ESG training sessions based on the Policy. All of the RFHL boards, management and staff are all trained to understand and identify climate related risks. We've also work closely with our Risk department to ensure that they have the necessary risk training.

The Group Sustainability Unit is also in the process of establishing RFHL Group Sustainability Council (Council). This will foster and promote more efficient and accurate information sharing and communication regarding ESG and Climate activities among the Group. This Group has developed a Terms of Reference and Key Performance Indicators (KPIs) for the Council to assist in meeting our targets.

RFHL has implemented a system to collect and collate data with respect to our US\$200million Climate Finance Goals. We have hit 83% of our goal and we are on track to meeting our 2025 goal. Funding under this goal continues to be disbursed to individuals and businesses undertaking sustainability projects across the Group's fourteen (14) subsidiaries within the Caribbean and in Ghana. Some of the sustainability projects include: clean energy maritime transport, energy efficiency, environmental protection, electric vehicles, green real estate, renewable energy, water management, waste management and sustainable agriculture. Barbados has emerged as the subsidiary with the most significant contributions towards the US\$200 million climate finance goal.

RFHL acknowledges the imperative of integrating sustainable practices not only within our internal operations but also across our broader external sphere of influence. We understand that achieving this goal necessitates embracing an Environmental, Social, and Governance (ESG) framework as an overarching data-driven strategy, with Greenhouse Gas Accounting as one of its components. Recently, the Group Sustainability Unit engaged the expertise of an ESG Technology Vendor to streamline the gathering and reporting of Scope 1, Scope 2, and Scope 3 data. This platform is called Updapt. With operations spanning across 14 territories, tracking, monitoring, and assessing this data presents significant challenges. This software solution will simplify data collection processes and serve as a centralized repository for the Bank's consumption data. Through this platform, the Bank will have the capability to report on our Carbon Emissions and Carbon Footprint, offering real-time analytics, peer evaluations, and customizable reports.



The implementation of this application across our network will be instrumental in enhancing our ability to manage data collection and reporting within the realm of Sustainability.

- **Diversity, Equity and Inclusion (DEI)**

As explained, RFHL has operationalised working groups throughout the territories as well as a steering committee which has the overall responsibility of mainstreaming DEI into our strategy, processes, policies and operations with the overall intention of creating more inclusive workspaces. We are still working out key initiatives, timelines and activities for each of the working groups across the territories.

We have established specific areas of focus and next steps as follows:

- We have established specific DEI items and each working group in the territory will work with respective managing directors to ensure that these items are being actioned.
- Under the Human Resource Management Unit, we are assessing where we need to make changes.
- We are executing a new strategy for DEI which is as follows:
  - Highlight – the areas where we already practice DEI. Within a 4-month period, we are looking at the hiring practices. Our talent and recruitment already integrates DEI. We are an equal opportunities employer. We offer unique employee benefits to all, for example profit sharing. We are inclusive from a religious perspective as we allow staff to alter wear and uniforms to be in alignment with their religious beliefs. We are currently working to establish inclusivity rooms where infrastructure allows.
  - Build – Within a 6 month period. We are recognising where we already integrate DEI and build and explore other strengths. We will be reviewing and assessing the psychometric test, interview processes and exit interviews to ensure they are inclusive. We are working on creating a DEI Foundations Course for the staff.
  - Create – Within 6 to 12 months we are evaluating policies to identify more opportunities for inclusivity to implement meaningful change. We are working to have inclusive spaces (prayer, cultural room etc.).
- We are revising the ways in which we communicate and engage staff regarding DEI. We have established Knowledge Guides, Circulars and Working Group Engagement and we will be distributing Pulse Surveys.

# 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 customers<sup>10</sup> 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 activities<sup>11</sup>). 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).*

### Response

For the Financial Health and Inclusion Target, we have established a Centre for Business Innovation. This Unit will be charged with the responsibility of oversight of how our customers are coping with the loan facility. They will receive daily, weekly and monthly results from the branches and are able to clearly see which customers are struggling and then reach out in an effort to create a dialogue to assist these customers. Collaborating with these groups, we aim not only to establish sustainable businesses but also to ensure their ongoing ability to manage their facilities without adverse effects on their credit scores.

This year, we hosted the inaugural Sustainability Expo 2024, held on September 13-14 at the Centre of Excellence Macoya. Through this Expo we successfully advanced our Bank's commitment to sustainability and environmental leadership. This two-day event provided a platform to engage a wide array of stakeholders—exhibitors, sponsors, and attendees—on pressing climate issues, sustainable business practices, and Republic Bank's leadership in ESG initiatives.

### Key Highlights of the Expo:

- Theme: "Transforming Talk into Action" – The theme was effectively implemented across all event materials, creating a cohesive and impactful message that resonated throughout the event.
- Venue and Dates: The Expo was held on September 13-14, 2024, at the Centre of Excellence, Macoya. Day 1 began at 9:30am with an opening ceremony and concluded at 5:00pm, followed by a Networking Cocktail

### Links and references


<p>Reception. On Day 2, the event started at 9:00am, with the first demonstration at 10:00am, and wrapped up at 5:00pm.</p> <ul style="list-style-type: none"> <li>• Attendees: Approximately 3,000-3,500 participants per day.</li> <li>• Exhibitors: A total of 126 exhibitors.</li> <li>• Through a post event survey, attendees' feedback indicated strong satisfaction, with 79% of participants rating the Expo 4 or 5 out of 5. Exhibitors and sponsors alike praised the event's organization and the quality of interactions, with Republic Bank's own booths generating significant leads</li> </ul> <p>The following were implemented within 2022 and shall continue into 2024:</p> <ol style="list-style-type: none"> <li>1. Continuing to engage clients in accessing funds for our USD 200million Climate Financing.</li> <li>2. Setting client and stakeholder goals and targets for each territory and subsidiary in relation to their selected SDGs.</li> <li>3. Continuing to align all corporate social responsibilities (CSR) and philanthropic activities with our ESG and SDG strategy.</li> <li>4. Exploring initiatives to target or Small, Medium and Micro Enterprises (SMMEs). Our Group established a department namely Centre for Business Innovation to target SMME clients. It is the intention of this Group to support SMME clients in their business to ensure success.</li> <li>5. Launching a Climate Resilience Program in the new year.</li> <li>6. Continue to work with clients and customers to reduce their emissions as well as diversify their portfolio.</li> </ol>	
<p><b>3.2 Business opportunities</b></p> <p>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.).</p>	
<p><i>Response</i></p> <p>After due consideration of the impacts our Group, we offered and devised the following available to all stakeholders:</p> <p><b>Climate Change</b></p> <ul style="list-style-type: none"> <li>- By 2025 lend, invest or arrange USD \$200 million to reduce the impacts of climate change and help develop resilient, climate adaptive infrastructure across all territories. Under this facility we intend to fund: <ul style="list-style-type: none"> <li>➤ Low carbon generation and renewable energy projects</li> <li>➤ Energy efficiency projects</li> <li>➤ Climate and energy resilient options</li> <li>➤ Clean fuel substitutes</li> <li>➤ Sustainable Land Management and Agriculture</li> <li>➤ Waste management and Circular Economy options</li> <li>➤ Water efficiency and waste water treatment</li> <li>➤ Circular economy manufacturing and packaging</li> <li>➤ Sustainable transportation</li> </ul> </li> </ul>	<p><i>Links and references</i></p>

<sup>10</sup> 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.

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

<ul style="list-style-type: none"> <li>➤ Sustainable real estate and construction</li> <li>➤ Pollution control</li> <li>➤ Carbon capture and emission reduction opportunities</li> <li>➤ Others</li> </ul> <p>We have hit 83% of our Climate Finance goal and we are on track to meeting our 2025 goal.</p> <ul style="list-style-type: none"> <li>- By 2050 we are committed to achieving Net Zero greenhouse gas emissions in our internal and external operations.</li> <li>- To offer electric vehicles as part of benefit packages.</li> </ul>	
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## 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 groups<sup>12</sup>) 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.

<p><i>Response</i></p> <p>Currently, we are crafting a stakeholder engagement strategy aimed at compiling a thorough roster of stakeholders for the upcoming reporting period. We have held our hands until we have established our targets under climate mitigation and financial health and inclusion to ensure that our engagement strategy was well formulated to align with our targets, as RFHL is committed to actively engaging, collaborating, and forming partnerships with all stakeholders in the future. This engagement strategy is being formulated collaboratively by the GSU in conjunction with GMC. Importantly, the data and insights gathered from the Sustainability Expo will play a critical role in shaping this strategy, helping us better understand stakeholder priorities and expectations. The plan will comprehensively explore all business domains to pinpoint our stakeholders, documenting crucial details such as their level of interest, influence, communication frequency, and preferred communication channels. Subsequently, the identified channels will serve as the foundation for future communication with each stakeholder group.</p>	<p><i>Links and references</i></p>
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<sup>12</sup> Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

This list below is a general summary of the type of stakeholders we intend to engage. This listing is subject to change as we continue to mature in the space:

- UNEP FI- PRB and NZBA.
- Organisations affiliated with the United Nations such as UNDP, IDB etc.
- Climate related experts / consultants to provide recommendations and guidance.
- RFHL has a socially focused Power to Make a Difference Programme, in which we partner with various levels of Government, Diplomatic Missions, Corporate Clients, Members of Academia, International Funding Agencies/NGOs/CBOs, Multilateral Institutions, Regional Bodies such as CARICOM and the CDB and our project partners.

# 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.

### Response

The Board of RFHL has embedded ESG into all of our Group's operations. To achieve this, the Board approved the establishment of a standalone Group Sustainability Unit (GSU) (first and is only Indigenous Bank to do so). The GSU is headed by a Senior Manager/Group Sustainability Officer (GSO) who reports to the Group General Counsel/Corporate Secretary who in turn reports to the President. The GSU consists of the GSO, a Sustainability Data Specialist, Sustainability Specialist – ESG and Sustainability Specialist – International Agreements, all of whom report to the GSO.

It is the intention of the Group to establish a Group Sustainability Council throughout the 14 territories and has made recommendations for a Board ESG Committee.

The GSU provides quarterly reports to the Group's President, disclosing an ESG Dashboard that outlines details, progress and updates on actions, activities and goals from an ESG perspective.

The Board utilises the Principles for Responsible Banking to promote responsible banking by encouraging our Group to align its operations at the strategic, portfolio and transactional levels with prevailing social and environmental commitments as expressed in the Paris Climate Agreement and UN SDGs.

Currently, we do not have a dedicated ESG committee. The Principles for Responsible Banking report is reviewed by Senior Management and the Executive team prior to publication.

In light of the absence of relevant legislation in the regions where we operate, and as we continue to develop our decarbonization action plans, we have not yet instituted remuneration practices tied to sustainability targets.

### Links and references

*Annual Reports 2023*  
(pages 38- 65)

<p>The Board further promotes transparency of its structure by publicly disclosing in our annual reports the board composition, director independence, director skillsets, director tenure and director training and evaluation.</p> <p>Our Group has developed, reviewed and continuously improved on our policies in accordance with best practice, laws and regulations. For example our Group has established Anti- Bribery and Corruption Policy, Ethics and Operating Principles, Whistle blower Policy, Anti-Money Laundering, Combatting Terrorist Financing &amp; Countering Proliferation Financing (AML /CTF/CPF) Policy to name a few.</p> <p>Yearly, mandatory training is required for all staff. Yearly all staff is required to complete training on anti-money laundering, health and safety and information security. Training plays a critical role in protecting RFHL from risk associated with money laundering, financial crimes and ensuring that staff are protected while at work.</p>	
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**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).

*Response*

RFHL is committed to fostering a culture of responsible banking among our employees. Currently, we offer a range of capacity-building courses on our intranet, where employees can not only enhance their knowledge of financial and accounting topics but also access courses on personal financial management. Additionally, an ESG course is available to deepen understanding of ESG principles and their importance.

As part of our Centre for Business Innovation, TT\$50 million of the allocated TT\$200 million was designated specifically for employees to support their small business ventures, a resource that has been actively utilized.

In September, RFHL hosted a one-day Financial Literacy Program for staff, covering essential topics such as:

- Personal Finance
- Financial Planning
- Budgeting
- Saving
- Investing

These efforts are part of an ongoing process, and we will continue to develop new, innovative initiatives to promote diversity, equity, and inclusion across the Group.

*Links and references*

**5.3 Policies and due diligence processes**

Does your bank have policies in place that address environmental and social risks within your portfolio?<sup>13</sup> 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

<sup>13</sup> 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.

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.

*Response*

RFHL currently has in place the Environment and Social Management System (ESMS) which operationalises our Group’s commitment to manage Environmental and Social (E&S) issues and risks in its lending operations and assist in the management of Environment and Social expectations and requirements for both existing and new clients of our Group. The E&S Policy applies to all commercial clients of our Group, with a Sales Volume up to TT\$15M:

<b>Classification</b>	<b>Sales Volume</b>
Micro	< \$250K
Small	\$250K - \$1.5M
Medium	\$1.5M - \$15M

Our Group’s E&S Policy outlines our commitments toward sustainable lending practices and defines how we approach E&S management. This E&S policy highlights our desired outcome to integrate E&S management into our credit process.

The E&S procedure is a detailed description of how E&S management is integrated into our Group’s credit process. The E&S procedure can be used as a guideline on approaching E&S management and defines the documents to consult and action points to successfully assess the E&S risk of a credit application. The E&S management section of this document outlines the roles and responsibilities of our employees in order to implement and maintain the ESMS.

The E&S Procedure must be followed in the assessment of SME credit application.

ESG is being led from the Group General Counsel’s Office. Recommendations have been made for ESG oversight via a focused Board ESG Committee.

The Group has also developed an ESG Policy and framework inclusive of target setting and remedial action options for non-conformance of the PRB.

A proposal for a Group Sustainability Council is being developed as part of the ESG Strategy to enable cohesion and communication throughout the Group.

Further and with the introduction of our ESG policy and framework document, the Group Sustainability Unit conducted and will continue to conduct ESG training sessions based on the Policy. All of the RFHL boards, management and staff are all trained to understand and identify climate related risks. We have also worked closely with our Risk department to ensure that they have the necessary risk training.

*Links and references*

**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.

*Response*

Our Group has disclosed publicly via our website our PRB commitments.

*Links and references*

<https://www.rfhl.com/prb/>

### 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: ....

*Response:*

RFHL is in the process of selecting a framework best suited to our organisation. Given our diverse portfolio, our lack of ESG regulations and our customer base mainly located in the Caribbean and Ghana, we faced difficulty sourcing reliable and accurate data and methodologies for a reporting framework.

However, we are considering reporting using the International Sustainability Standards Boards (ISSB) Standards 1 and Standards 2 which fully incorporated the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This will allow our Group to communicate our performance accurately and consistently on an international scale.

*Links and references*

## 6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis<sup>14</sup>, target setting<sup>15</sup> and governance structure for implementing the PRB)? Please describe briefly.

*Response*

Aligned with our NZBA requirements and our journey towards target setting, RFHL plans to establish emissions reduction targets across all sectors to which we provide lending. Additionally, we are actively developing action plans tailored to each country in which we operate, ensuring alignment with local needs and conditions.

*Links and references*

## 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 checked="" 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 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:

<sup>14</sup> 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

<sup>15</sup> For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.



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## Independent practitioner's assurance report

Republic Financial Holdings Limited  
9-17 Park Street  
Port of Spain  
Trinidad and Tobago

Attention: Ms. Tisha Marajh | Group Sustainability Officer

### *Scope*

We have been engaged by Republic Financial Holdings Limited (RFHL) to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on RFHL's PRB Principles:

1. Impact Analysis (Reporting requirement 2.1)
2. Target Setting ( Report requirement 2.2)
3. Target Implementation and Monitoring (Report requirement 2.3) and
4. Governance Structure for Implementation (Reporting requirement 5.1)

(the "Subject Matter") contained in RFHL's (the "Company's") Principles for Responsible Banking Reporting and Self-Assessment for the period from September 2023 – September 2024 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

### *Criteria applied by RFHL*

In preparing the PRB Principles 2.1, 2.2, 2.3 and 5.1, RFHL applied the reported criteria detailed on pages 6, 13, 21 and 29 of the Principles of Responsible Banking Reporting and Self Assessment (Criteria).

We believe that these Criteria are a suitable basis for our limited assurance engagement.

### *RFHL's responsibilities<sup>(E)</sup>*

RFHL's management is responsible for selecting the Criteria, and for presenting the PRB Principles 2.1, 2.2, 2.3 and 5.1 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.



### *EY's responsibilities*

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and the terms of reference for this engagement as agreed with RFHL on 5 November 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### *Our independence and quality management*

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### *Description of procedures performed*

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the PRB Principles 2.1, 2.2, 2.3 and 5.1 and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period
- Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified
- Reviewed source information to check the accuracy of the data related to the \$200 million financial health and inclusion target.
- Read the supporting narrative within the other information accompanying the Subject Matter for any material inconsistencies between the other information and the report or any material misstatements of fact in the other information.
- Evaluated the appropriateness of the Criteria used to measure and disclose the PRB Report as outlined by the select key items and sample from any quantitative analysis and agree to source information to check the accuracy and completeness of the data.

We also performed such other procedures as we considered necessary in the circumstances.

### *Conclusion*

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the PRB Principles 2.1, 2.2, 2.3 and 5.1 for the period from September 2023 to September 2024 in order for it to be in accordance with (**or based on**) the Criteria.

### *Restricted use*

This report is intended solely for the information and use of RFHL as based on PRB guidelines, limited assurance of PRB for Principles 2.1,2.2,2.3 and 5.1 reporting is strongly encouraged as best practice, and is not intended to be and should not be used by anyone other than those specified parties for this specific purpose.



20 December 2024  
Port of Spain,  
Trinidad and Tobago