

2024

Annual report

**Implementation of the Responsible Banking
Principles (RBP) of the United Nations Environment
Programme (UNEP) Financial Initiative**



BOAD

BANQUE OUEST AFRICAINE
DE DÉVELOPPEMENT



summary

BACKGROUND	6
I. PRINCIPLE 1: ALIGNMENT	7
II. PRINCIPLE 2: IMPACT AND TARGET SETTING	11
III. PRINCIPLE 3: CUSTOMERS	16
IV. PRINCIPLE 4: STAKEHOLDERS	20
V. PRINCIPLE 5: GOVERNANCE AND CULTURE	23
VI. PRINCIPLE 6: TRANSPARENCY AND ACCOUNTABILITY	27

Principle 1: Alignment

Contents

Since January 1, 2021, BOAD has been implementing its 3rd Strategic Plan 2021-2025, known as the DJOLIBA Plan, which constitutes the reference framework for all the institution's interventions. It is structured around five (5) strategic areas, including three (3) operational areas and two (2) cross-cutting areas. The three (3) operational areas are: i) Area 1: fostering regional integration; ii) Area 2: creating value and productive jobs in support of WAEMU States and the private sector and iii) Area 3: building resilience to climate change. The two (2) cross-cutting areas include: Area 4: increasing financing capacities; Area 5: strengthening human resources and management systems.

The Bank has put in place a climate policy that applies to all the projects it finances. The Bank also supports its member countries in mobilizing resources dedicated to combating climate change through the Funds to which it is accredited as a Direct Access Implementing Entity, such as the Green Climate Fund (GCF), the Adaptation Fund (AF) and the Global Environment Facility (GEF). Lastly, BOAD has an Environmental and Social Safeguards Framework (CSES).

Links and references

For more information on the alignment note, please visit www.boad.org (Djoliba Plan 2021-2025, BOAD Climate Policy, BOAD Environmental and Social Safeguard Framework).

Principle 2: Impact and target setting

Contents

Environmental protection is a priority for BOAD. It finances projects aimed at mitigating the effects of climate change, promoting the sustainable management of natural resources and strengthening the resilience of communities to climate shocks. As part of its DJOLIBA plan, the Bank has set itself the following objectives:

- Area 1: fostering regional integration (30%) ;
- Area 2: Contributing to the creation of value and productive jobs in support of WAEMU States and the private sector (45%) ;
- Area 3: building resilience to climate change (25%).

Links and references

For more information on our impact, please visit www.boad.org Annual report 2023 and 2024 (BOAD achievements in 2023 and 2024).

Principle 3: Customers and consumers

Contents

The Bank's missions are intrinsically linked to the requirements of sustainable development, and are fully in line with a virtuous and responsible approach to financing development projects. To this end, the following policies have been put in place: Corporate Social Responsibility (CSR); Climate; Gender; Anti-Money Laundering; Prevention of Corruption and Fraud; as well as an Environmental and Social Safeguards Framework (ESF).

Links and references

For more information on customers and consumers, please visit www.boad.org: Policies (CSR, climate, gender, money laundering, fraud prevention...).



Principle 4: Stakeholders

Contents

BOAD strives to listen to the expectations of its stakeholders. We proactively engage with our key stakeholders, namely member countries, the private sector, investors, employees and regulators. Their contributions are essential to our understanding of the impact, risks and opportunities of the sustainability issues we identify.

In 2023, the Bank carried out a stakeholder consultation to update its materiality matrix and prepare its CSR strategic plan for the 2025-2029 period. This exercise provided an opportunity to review and update the issues previously assessed, as well as their importance in the eyes of stakeholders.

Links and references

For more information on our stakeholder relations, please refer to the 2023 and 2024 annual reports (highlights).

Principle 5: Governance and culture

Contents

Governance is one of the major pillars of BOAD's CSR policy. It reflects the implementation by the institution's management of the principles of sustainable development and their application to the various areas of activity. It is essential that the Management Committee and the Board of Directors take social and environmental issues into account.

BOAD has set up a governance system that takes CSR into account. The Board of Directors approves the Bank's CSR policy, and CSR governance is as follows:

- CSR Committee at Board level, comprising a number of directors, which makes decisions on CSR and climate-related issues;
- The Bank's CSR Steering Committee, made up of the members of the management committee (CODIR), validates CSR and climate policies, manuals and frameworks;
- A service to finance sustainable development.%).

Links and references

For more information on our governance and culture, please visit.

Principle 6: Transparency and accountability

Contents

The Bank is aware of its social responsibility and, in line with its CSR policy, a committed and responsible approach to CSR has been implemented in accordance with ISO 26000. BOAD strives to be transparent and accountable in its commitments to the Principles for Responsible Banking. As part of this transparency, the Bank prepares and publishes an annual report on its activities, as well as an annual CSR report highlighting the measures it has taken to address sustainability issues.

BOAD has set up an insurance program for countries that have suffered natural disasters. The Loans Adapted to Natural Disasters' program (PACAN) is based on an innovative approach designed to increase the resilience of the beneficiary of a conventional loan to natural disasters.

Links and references

For more information on our transparency, please consult.

BACKGROUND

Project financing is a major challenge in a context where competitive pressures to behave responsibly are now a central strategic objective. It is therefore BOAD's responsibility to ensure the sustainability of its actions, based on extra-financial criteria: Environment, Social and Governance (ESG criteria). The mainstreaming of these ESG criteria is fully in line with the Socially Responsible Investment (SRI) framework, which aims to reconcile economic performance with social and environmental impact. As part of its alignment with and respect for international standards, BOAD signed up to UNEP-FI's Principles for Responsible Banking (PRB) in September 2023, with a view to strengthening its good governance. Through the Djoliba strategic plan, BOAD is committed to anchoring sustainability in its financing strategy and corporate culture.

The Principles for Responsible Banking (PRB) are a charter of the United Nations Environment Programme Finance Initiative (UNEP FI), created in 1992 by a group of financial institutions and the United Nations Environment Programme (UNEP) in response to growing awareness of the need to take into account the environmental impact of financed operations.

The Principles for Responsible Banking (PRB) provide a framework that many banks around the world use

to guide their responsible banking practices. Member banks commit to taking steps to align their strategy, decision-making, lending and investments with the United Nations Sustainable Development Goals (SDGs) and international agreements such as the Paris Agreement on climate change. With over 330 signatory banks representing more than half of the global banking sector, the PRBs constitute the world's largest sustainable banking framework.

By adhering to the principles, member banks actively enhance positive impacts, reduce negative impacts and promote responsible banking across their portfolios, activities, products and services. The aim of the annual report is to help signatories maintain transparency and accountability by disclosing their progress in implementing the principles and presenting their responsible banking actions.

The first PRB report is due to be published 18 months after the signing of the accession agreement. This first report describes the implementation of sustainability and responsibility within the Bank. The PRB framework consists of six (6) principles designed to define the purpose, vision and ambition of a responsible bank. Signatory banks are committed to integrating these six principles into all areas of their activities, at strategic, portfolio and transactional levels.

The following six (6) principles are not binding:

- Alignment: Aligning our business strategy with the United Nations Sustainable Development Goals and the Paris Climate Agreement.
- Impact: Continuously increase our positive impact while reducing our negative impact. To have a positive impact on the environment.
- Customers: Working responsibly with our customers to create shared prosperity for current and future generations. Encouraging sustainable practices.
- Stakeholders: Consult, engage and collaborate with relevant stakeholders to achieve our goals.
- Governance and target setting: Implementing our commitments through effective governance and target setting for our most significant impacts.
- Transparency and accountability: Commitment to transparency regarding our contribution to achieving the company's positive impact objectives.

Through transparent reporting and accountability, member banks demonstrate their commitment to building a more sustainable and resilient future, tackling climate change, nature loss, pollution and social inequality to create a positive global transition for people and planet.



I. PRINCIPLE 1: ALIGNMENT

I. PRINCIPLE 1: ALIGNMENT



BOAD is committed to aligning its business strategy coherently and contributing to the needs of individuals and the goals of society, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement and relevant national and regional frameworks.

BOAD plays an essential role in financing the development of WAEMU member countries, providing financial resources and advisory services to support a diverse range of projects aligned



with its 2021 - 2025 Strategic Plan Djoliba, in key sectors such as infrastructure, agriculture, energy, real estate, health and education. It supports the implementation of WAEMU member States' investment programs by demonstrating a singular, assertive and voluntary involvement in the economic, social and environmental fields.

The imperative guiding the choice and implementation of the priorities of the Strategic Plan 2021-2025 is to increase the impact of the Bank's interventions in terms of development results. To this end, interventions will focus on five key areas to respond effectively to the challenges of sustainable and inclusive development in the countries of the Union.

BOAD has opted for a sectoral approach structured around five (5) areas:

- **Infrastructure and digital economy:** BOAD is committed to strengthening the infrastructure that is essential for economic growth. In particular, we invest in roads, bridges, airports and telecommunications to promote regional connectivity and stimulate the development of the digital economy.

- **Energy and natural resources:** Energy security is essential to growth. We support clean energy, power generation and natural resource management projects to promote sustainability and energy independence in the sub-region.

- **Agriculture and food security:** Agriculture is the backbone of the West African economy. We invest in innovative agricultural projects, from production to processing, to improve food security, increase farmers' incomes and strengthen the agri-food value chain.

- **Health and education:** BOAD attaches great importance to improving health and education in West Africa. We support the construction of health infrastructures, the training of medical staff and the development of quality education for all.

- **Real estate and social housing:** We believe in the importance of affordable, decent housing for all. Our investments in the real estate sector aim to meet the housing needs of the population while promoting sustainable urban development.



In each of the five (5) priority sectors, there is a cross-functional focus on the environment and climate finance, on the one hand, and on the role and financing needs of micro, small and medium-sized enterprises (MSMEs), on the other.

Micro, small and medium-sized enterprises (MSMEs): to diversify the economic fabric and create jobs in promising fields, particular attention is paid to youth employment and the inclusion of women, as well as to the role of the financial sector (banks, financial institutions, SFDs).

The breakdown of the portfolio (%) by country is as follows (2023/2024):

THE BREAKDOWN OF THE PORTFOLIO (%) BY COUNTRY

	Benin	Burkina Faso	Cote d'Ivoire	Guinea Bissau	Mali	Niger	Senegal	Togo	Outside WAEMU	Total
2023	13.5	11	20.7	3.3	10.6	10	18.4	11.6	0.9	100
2024	9	18.5	33.3	0.5	6.5	3.3	17.4	9.9	1.6	100

Sources: www.boad.org (intervention sectors). Rapport annuel 2023, annexe Répartition des engagements nets par pays au 31/12/2023. Djoliba Strategic Plan.

Since January 1st, 2021, BOAD has been implementing its 3rd Strategic Plan 2021-2025, known as the DJOLIBA Plan, which constitutes the reference framework for all the institution's interventions. It is structured around five (5) areas, including three (3) operational areas and two (2) cross-cutting areas. The three (3) operational areas are: i) Area 1: fostering regional integration; ii) Area 2: creating value and productive jobs in support of WAEMU States and the private sector and iii) Area 3: building resilience to climate change. The two (2) cross-cutting areas include: Area 4: increasing financing capacities; Area 5: strengthening human resources and management systems.

BOAD's ambition is to create sustainable value for the entire sub-region and contribute towards the achievement of the Sustainable Development Goals (SDGs). On this basis, we strive to align our strategy with the most relevant objectives of the SDGs and the Paris Agreement, as well as with relevant national frameworks.

Within this framework, the financing granted concerns projects whose implementation will contribute to achieving the following SDGs: i) SDG 1: No poverty; ii) SDG 2: Zero hunger; iii) SDG3: Good health and well-being; iv) SDG 4: Quality education; v) SDG 5: Gender equality; vi) SDG 6: Clean water and sanitation; vii) SDG 7: affordable and clean energy; viii) SDG 8: decent work and economic growth; ix) SDG 9: industry, innovation and infrastructure; x) SDG 10: reduced inequalities; xi) SDG11: sustainable cities and communities; xii) SDG 12: responsible consumption and production; xiii) SDG 13: climate action and xiv) SDG 15: Life on land.

In addition, the Bank has put in place a climate policy that applies to all the projects it finances. As such, taking climate change into account in its operations is an imperative as a development finance institution for WAEMU member countries. BOAD is committed to supporting governments in their efforts to meet the challenge of climate change: (i) pursue the mobilization of concessional resources from Climate Funds for the benefit of the States (public financing); (ii) green WAEMU's financial sector and promote financial innovation to increase private investments in favor of Climate; (iii) accelerate climate investments in key sectors such as renewable energy and energy efficiency, sustainable and climate-smart agriculture, and green cities as well as climate-resilient infrastructure; and (iv) integrate the climate dimension into the Bank's financing.

The Sustainable Development Finance Department (SDFD) is responsible for integrating climate change into the Bank's operations and contributing to the achievement of the Sustainable Development Goals (SDGs). This department includes a Section responsible for the origination and development of climate adaptation and mitigation projects, as well as climate finance, with the mission of (i) advising project promoters; (ii) ensuring that the national NDC objectives of WAEMU member countries are taken into account in the projects financed; and (iii) validating project eligibility and alignment with climate finance criteria. Priority sectors for the region's NDCs include agriculture and sustainable land management, energy, infrastructure and resilience, as well as the mobilization of climate finance. The financial needs of the eight (8) WAEMU member countries in response to the fight against climate change are estimated in the NDCs at around US\$100 billion by 2030.





In addition, BOAD benefited from technical assistance provided by AFD, with the aim of improving the analysis of climate projects, notably through the use of specific tools. The purpose was also to broaden the base of staff trained in climate project analysis. Projects charged to AFD's climate line benefited from E&S due diligence as defined in the Bank's environmental and social policy and in line with the operational manual for the sectors concerned. It should be noted that the cooperation agreement signed with AFD complies with the Paris Climate Agreement.

The Bank also supports its member countries in mobilizing resources dedicated to combating climate change through the Funds to which it is accredited as a Direct Access Implementing Entity, such as the Green Climate Fund (GCF), the Adaptation Fund (AF) and the Global Environment Facility (GEF). In order to support member countries in the deployment of mobilized resources and the effective implementation of projects with real impact, the Bank has created a Climate Projects Supervision Section within the Sustainable Development Finance Department, whose missions are to (i) support project start-up, (ii) monitor project implementation and disbursement, (iii) prepare and submit project implementation, monitoring and completion reports, (iv) initiate performance reports, (v) propose climate performance indicators and monitor them.

Lastly, BOAD has adopted an Environmental and Social Safeguard Framework (ESF) which describes the institution's commitment to promoting sustainable and inclusive development in the West African Economic and Monetary Union (WAEMU) countries, through an environmental and social policy, a gender policy and strategy, and a series of environmental and social safeguard standards and procedures. These requirements are designed to provide a framework for the Bank's investments in promoting regional economic and social development and combating poverty. They comply with the relevant international standards (IFC-World Bank).

All the Bank's projects are therefore subject to an environmental and social assessment based on their environmental classification. To support low-carbon trajectories and climate resilience in its member countries, BOAD has developed a framework that requires all its operations to be aligned with the mitigation and adaptation objectives of the Paris Agreement.

Sources: www.boad.org (Djoliba Plan 2021-2025, BOAD Climate Policy, BOAD Environmental and Social Safeguard Framework).



II. PRINCIPLE 2: IMPACT AND TARGET SETTING

II. PRINCIPLE 2: IMPACT AND TARGET SETTING



Continuously increase our positive impacts while reducing negative impacts and managing risks to people and the environment resulting from our activities, products and services. To this end, we set and publish targets in areas where we can have the greatest impact.

2.1. Impact analysis:

Show how your bank has identified, prioritized and measured the most significant impacts related to its portfolio. Identify priority areas for target setting.

BOAD's mission is to promote the balanced development of its member countries and contribute to the achievement of economic integration in West Africa. The financing is structured around three (3) major strategic areas.

The breakdown by strategic areas (2023/2024) is shown below:

	Strategic areas	Fostering regional integration	Contributing to the creation of value and productive jobs in support of WAEMU States and the private sector	Building resilience to climate change
2023	%	17	59	24
	Amount (XOF M)	166.9	574.2	231.2
2024	%	17	60	23
	Amount (XOF M)	159.8	561	215.7



Breakdown by type of borrower (2023/2024):

	type of borrower	Number of projects	Funding (XOF M)	% of funding
2023	Sovereign counterparties	36	562.8	57.5
	Public companies	3	74.6	7.6
	Private companies	25	341.3	34.9
	Total	64	978.7	100
2024	Sovereign counterparties	40	683.3	72.4
	Public companies	3	75	8
	Private companies	20	184.6	19.6
	Private companies	63	942.9	100

Breakdown by area of activity (2023/2024):

	2023		2024	
Sectors	Amount (XOF)	Share (%)	Amount (XOF)	Share (%)
Transport & IT	339.2	34.7	305.564	32.4
Financing & insurance	184.9	18.9	87.585	9.3
Energy & natural resources	182.3	18.6	209.148	22.2
Food security	135.4	13.8	219.009	23.2
Real estate & housing	84.3	8.6	70	7.4
Health & education	52.5	5.4	51.6	5.5

Sources : Annual report 2023 (BOAD achievements in 2023) : Annual Report 2023 (BOAD achievements in 2023).



By adopting responsible financing principles, BOAD is able to mitigate environmental and social risks and maximize the positive effects associated with its operations and portfolio on issues such as soil, water and air pollution, human rights, gender equality, child labor and greenhouse gas emissions.

2.2 Targets, target implementation and action/transition plans:

Show that your bank has set and published a minimum of two SMART targets covering at least two different areas of greatest impact. Once the objectives have been set, explain the measures taken and the progress made.

The challenges and priorities identified have led the Bank to take a closer interest in climate change and biodiversity loss and degradation, because they are priorities in the WAEMU zone, and because of the scale of its exposure in sectors that make a decisive contribution to these areas of impact.

Environmental protection is also a priority for BOAD. It finances projects aimed at mitigating the effects of climate change, promoting the sustainable management of natural resources and strengthening the resilience of communities to climate shocks. As part of its DJOLIBA plan, the Bank has set itself the following objectives:

- **Area 1:** Fostering regional integration (30%);
- **Area 2:** Contributing to the creation of value and productive jobs in support of WAEMU States and the private sector (45%);
- **Area 3:** Building resilience to climate change (25%).



Area 1: Fostering regional integration

To bring the WAEMU economies closer together and create a single economic space, the Bank's mission since its creation has been to support regional integration projects. In 2023, it approved financing worth XOF166.9 billion, or 17% of total financing over the period.


Area 2: Contributing to the creation of value and productive jobs in support of the States and the private sector

As part of this strategy, the Bank invested a total of XOF574.2 billion, or 59% of the year's financing.

Area 3: Building resilience to climate change

During the year, the Bank continued its efforts to strengthen resilience to climate change, approving financing for projects in this area to the tune of XOF 231.2 billion, or around 24% of its loans over the year.

Sources: www.boad.org (Plan Djoliba 2021-2025), Annual Report 2023.



III. PRINCIPLE 3: CUSTOMERS AND CONSUMERS

III. PRINCIPLE 3: CUSTOMERS AND CONSUMERS

Working responsibly with customers and consumers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.



3.1 Customer and consumer engagement:

Describe how your bank has worked and/or plans to work with its customers to encourage sustainable practices and enable sustainable economic activities.

The Bank's missions are intrinsically linked to the requirements of sustainable development, and are fully in line with a virtuous and responsible approach to financing development projects. BOAD combines its efforts with those of its member countries within the framework of the Sustainable Development Goals (SDGs), and strives to reconcile environmental preservation and social equity in harmony with our financial and economic imperatives. The Bank's strategic approach includes responses to economic, ethical, social and environmental expectations, which are taken into account in the conduct of its operations, within the framework of socially responsible intervention modalities.

BOAD's Corporate Social Responsibility (CSR) policy is based on five (5) pillars: i) the deepening of responsible governance in the conduct of our activities, ii) a reinforced contribution to the respect of human rights and the development of territories, iii) an active and direct participation in the fight against climate change through the reduction of our environmental impacts, iv) the reaffirmation of the respect we have for our customers and suppliers, v) the development of our human capital through the continuous improvement of our working conditions and our

environment, as well as through capacity building and the valorization of skills and responsibilities.

The Bank also has a Corporate Social Responsibility (CSR) department which provides CSR analysis and advice for projects submitted for financing. This enables sustainability factors to be integrated into financial decision-making. The aim of this activity is to encourage and support stakeholders to respond to the pillars of responsibility, while placing their actions in a sustainable perspective. Particular emphasis will be placed on criteria for measuring the CSR maturity of stakeholders (SMEs-SMIs-States) in relation to the five (5) pillars defined by BOAD's CSR policy

BOAD has created a Section responsible for supervising climate projects financed by the funds with which it is accredited. This Section is responsible for ensuring that the commitments made by the Bank in its management agreements are complied with and that they have an impact on communities in WAEMU countries through the effective implementation of sustainable projects.

Work is currently underway to implement a sustainable procurement policy, the main objective of which is to enable the Bank to integrate ethical, sustainable and socially responsible practices into its procurement process. This policy will be intended to steer purchasing decisions towards choices that contribute to environmental protection, respect for human rights, risk management and the creation of shared value.

In addition, the Bank has put in place an Environmental and Social Safeguard Framework (ESF) which describes the institution's commitment to promoting sustainable and inclusive development in WAEMU countries through: (i) an environmental and social policy, (ii) a gender policy and strategy, (iii) a set of environmental and social safeguard standards and procedures. These requirements are designed to provide a framework for the Bank's investments in promoting regional economic and social development and combating poverty.

The issue of gender equality and women's rights must be at the heart of sustainable development actions,

and BOAD has put in place a gender and equity policy to guarantee equal access to opportunities. This policy enshrines BOAD's commitment and vision, and commands the imperative to promote and take into account the principles of gender equality and women's empowerment in WAEMU countries.

BOAD has also put in place a climate policy to complement its climate commitments, with the ambition of systematically mainstreaming climate considerations into the Bank's strategies and operations.

We have also introduced: (i) an anti-money laundering policy to define the general framework for the prevention of money laundering and the financing of terrorism, and (ii) an anti-corruption and fraud prevention policy to provide a practical definition and a conceptual framework for understanding the different forms, types and levels of corruption.

Sources: Policies (CSR, climate, gender, money laundering, fraud prevention, etc.)



3.2 Business opportunities:

Describe the strategic business opportunities related to increasing positive impacts and reducing negative impacts that your bank has identified and/or how it has developed these opportunities.

In a context where social and environmental responsibility is becoming an essential lever for growth and differentiation, BOAD identifies and develops strategic business opportunities aligned with increasing positive impacts and reducing negative externalities.

As part of this dynamic, the Bank has been granted a €506 million guarantee by the Multilateral Investment Guarantee Agency (MIGA). This guarantee, with a maximum term of fifteen (15) years, is an essential tool for securing financing for projects with a high environmental and social impact. It covers the risk of default by a regional development bank, reinforcing the confidence of investors and financial partners in our commitment to sustainable development.

This initiative reflects international recognition of BOAD's strategic role as a key player in development financing in the WAEMU region. We remain committed to implementing sustainable and innovative financial solutions to transform challenges into opportunities for shared growth.





IV. PRINCIPLE 4: STAKEHOLDERS

IV. PRINCIPLE 4: STAKEHOLDERS



Proactively and responsibly consult, engage and collaborate with stakeholders to achieve the Bank's objectives.

BOAD strives to listen to the expectations of its stakeholders. We proactively engage with our key stakeholders, namely member countries, the private sector, investors, employees and regulators. Their contributions are key to our understanding of the impact, risks and opportunities of the sustainability issues we identify.

In 2023, the Bank carried out a stakeholder consultation to update its materiality matrix and prepare its CSR strategic plan for the 2025-2029 period. This exercise provided an opportunity to review and update the issues previously assessed, as well as their importance from the perspective of the stakeholders.

For the questionnaire on the Bank's economic performance, we consulted and collaborated with the following stakeholders:

- BOAD management (President, Vice-presidents, President's advisors, directors, deputy directors) ;
- Ministry members ;
- Others (customers, ministry representatives, firms and company directors).

For the questionnaire on stakeholder priorities, the panel was composed of:

- Employees at headquarters and resident missions;
- Internal consultant;
- Public companies;
- Financial institutions, private sector companies, local authorities, SMEs, VSEs, craftsmen, etc...

Concerning suppliers and service providers: work is underway to draw up a responsible purchasing policy that suppliers and service providers will be required to respect. In its relations with suppliers, the Bank undertakes to:

- fight relentlessly against all forms of corruption and criminal commercial practices: plagiarism, counterfeiting, dumping, etc.
- ensure that we meet all our contractual commitments and that they are fair,
- take into account the expectations of partners, beneficiaries and suppliers, and in particular manage complaints and disputes rapidly,
- ensure that we do not work with partners whose practices are not very responsible
- promote CSR within our sphere of influence.

For the media, including podcasts, interviews and contributions to articles;

In terms of partnerships, BOAD participates in the Task Force on Nature-related Financial disclosures (TNFD) and the Task Force on Climate-related Financial disclosures (TCFD). The Bank is also accredited to three financial mechanisms, the Green Climate Fund and the Adaptation Fund under the United Nations Framework Convention on Climate Change (UNFCCC), as well as to the Global Environment Facility (GEF) under five conventions, including the Convention on Biological Diversity (CBD), the UNFCCC, the Stockholm Convention on Persistent Organic Pollutants, the United Nations Convention to Combat Desertification (UNCCD), the Minamata Convention on Mercury and the Agreement on Biological Diversity Beyond the Limits of National Jurisdiction (BBNJ).

BOAD joins the Finance In Common Coalition (FICS) on Gender co-chaired by UN Women and the African Development Bank (AfDB). By joining the FICS Coalition, BOAD is committed to working with other member development banks and financial institutions, and to making their coordination and mobilization actions effective, in favor of the fight against gender inequality and the empowerment of women and girls in the global financial system. This new commitment represents a significant step forward in the institution's drive to implement transformative gender policies at both institutional and organizational levels.

BOAD and Africa50 have joined forces to develop and co-finance green infrastructure in Africa. A partnership agreement has been signed to mobilize capital from institutional investors for African infrastructure and

to identify projects for co-financing. As part of this partnership, both entities have renewed their commitment to collaborate on the financing and development of bankable projects, including climate-resilient infrastructure, to support sustainable growth and energy transition in African countries.

In August 2024, BOAD also raised €100 million to finance climate change mitigation projects in West Africa, by subscribing to the first hybrid bond issued by a multilateral bank and dedicated exclusively to this objective.

We are currently considering joining the Equator Principles, the Poseidon Principles and the Global Compact.

Sources: 2023 Annual Report (highlights) : 2023 Annual Report (highlights), Materiality matrix 2023





V. PRINCIPLE 5: GOVERNANCE AND CULTURE

V. PRINCIPLE 5: GOVERNANCE AND CULTURE

Implement our commitment to these principles through effective governance and a responsible banking culture.



5.1. Governance structure for implementing the principles:

Describe the relevant governance structures, policies and procedures your bank has in place/plans to put in place to manage positive and negative (potential) or significant impacts.

Governance is one of the major pillars of BOAD's CSR policy. It reflects the implementation by the institution's management of the principles of sustainable development and their application to the various areas of activity. It is essential that the Management Committee and the Board of Directors take social and environmental issues into account.

As a Responsible Bank, BOAD is committed to a Corporate Social Responsibility (CSR) approach based on five (5) pillars: (i) governance; (ii) territories and human rights; (iii) the environment; (iv) customers and partners; and (v) human capital:

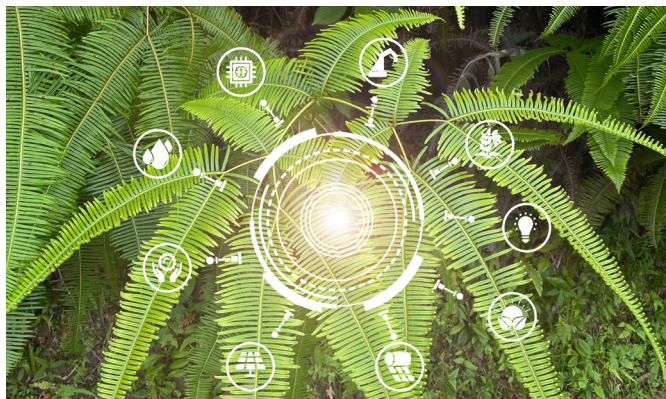
- The first pillar is governance, which aims to integrate CSR into BOAD's strategy and all its activities, in line with the requirements of ISO 26000 and by contributing to the SDGs.

- The second is linked to territories and human rights. It aims to contribute to local development by engaging in dialogue with stakeholders and ensuring human rights protection.

- The third pillar is devoted to the environment, and aims to contribute to the fight against climate change in the projects financed, while reducing BOAD's environmental impact through an efficient management system.

- The fourth pillar is that of customers and partners. It aims to take into account the expectations of BOAD's customers and suppliers, while promoting CSR in their practices, through increasingly stringent requirements.

- Finally, the last pillar is devoted to human capital and aims to maintain and improve the working environment within BOAD by enabling everyone to develop their skills.



BOAD has set up a governance system that takes CSR into account. The Board of Directors approves the Bank's CSR policy, and CSR governance is as follows:

- CSR Committee at Board level, comprising a number of directors, which makes decisions on CSR and climate-related issues;
- The Bank's CSR Steering Committee, made up of the management committee's members, validates CSR and climate policies, manuals and frameworks;
- A department responsible for financing sustainable development.

5.2. Promoting a responsible banking culture:

Describe the initiatives and measures taken by your bank to promote a responsible banking culture among its employees (e.g. capacity building, learning and development, sustainability training for relevant teams, inclusion in remuneration structures, performance management and leadership communication, among others).

In a context where human capital is becoming the cornerstone of organizational success, BOAD is firmly committed to cultivating a professional environment that values, develops and supports its employees. Through a holistic approach, the Bank strives to make the well-being of its teams a catalyst for outstanding performance, in compliance with applicable legal and international standards.

One of the main strategic areas of our strategic plan Djolibá, in particular area 5: strengthening resources and management systems, focuses on skills development. At BOAD, training our employees is a priority. The Bank encourages retraining and internal mobility, which means helping our resources to acquire new skills.

Area 11 of BOAD's CSR approach is «supporting diversity in teams». The Bank is committed to promoting the equitable development of men and women, ensuring equal access to and control over resources and decision-making spheres, while respecting their fundamental rights. Femininity is an asset, not a handicap, when it comes to climbing the career ladder. Women must also be supported to overcome gender-related restrictions, to fully assume their role within the institution and to break the glass ceiling - this is the leitmotiv of the YENNENGA excellence program, designed to strengthen the leadership of women at BOAD.

As part of efforts to strengthen the CSR culture within the Bank, various projects have been launched under this program, including: (i) biodiversity acculturation, (ii) CSR acculturation, (iii) environmental and social management acculturation, (iv) greenhouse gas management training, and (v) participation in the Task Force on Nature-related Financial disclosures (TNFD) and the Task Force on climate Financial disclosures (TCFD).....


The Bank pursued its actions aimed at building the resilience of economies to climate change and improving the living conditions of vulnerable populations, with a financing target of 25% devoted to the strategic areas (area 3) linked to building resilience to climate change. The Bank's actions in this area are described below.



Action taken by the bank in connection with Axis 3

- Support governments in their efforts to meet the challenge of climate change: (i) pursue the mobilization of concessional resources from Climate Funds for the benefit of States (public financing); (ii) green WAEMU's financial sector and promote financial innovation to increase private investments in favor of Climate; (iii) accelerate climate investments in key sectors such as renewable energy and energy efficiency, sustainable agriculture and climate smart, and green cities (transport and green building) as well as climate-resilient infrastructure; and (iv) integrate the climate dimension into the Bank's financing;
- Increase the gender footprint of the Bank's financing and management through the implementation of a gender equality policy;
- A commitment to corporate social responsibility;
- An ambition to create sustainable value for the entire sub-region and contribute to achieving the Sustainable Development Goals (SDGs);
- A monitoring and evaluation system based on impact and results indicators.

Source: 2023 Annual Report. // Sources: Taking sustainability into account in the Djoliba plan.



VI. PRINCIPLE 6: TRANSPARENCY AND ACCOUNTABILITY

VI. PRINCIPLE 6: TRANSPARENCY AND ACCOUNTABILITY

Periodically review individual and collective implementation of these principles, and demonstrate transparency and accountability with regard to positive and negative impacts.

6.1. Disclosure frameworks

The Bank is aware of its social responsibility and, in line with its CSR policy, a committed and responsible approach to CSR has been implemented in accordance with ISO 26000. BOAD strives to be transparent and accountable in its commitments to the Principles for Responsible Banking. As part of this transparency, the Bank prepares and publishes an annual report on its activities, as well as an annual CSR report highlighting the measures it has taken to address sustainability issues.

BOAD Climate Study Fund, set up in September 2023, is a quality assurance tool for the integration of adaptation, mitigation and SDO aspects into projects financed by the Bank. It will also help speed-up climate investments by WAEMU member countries.

6.2. Insurance

BOAD has taken out a credit insurance policy worth XOF 278 billion with a pool of leading private insurers, bringing the total insured credit portfolio to 11%. The introduction of this policy marks a new stage in the deployment of the «originate to distribute» method. Its main aim is to optimize the use of capital, leverage the institution's intervention capacities and improve its risk profile. BOAD has also set up an insurance program for countries that have suffered natural disasters. The Loan Adapted to Natural Disasters (PACAN) program is based on an innovative approach designed to increase the resilience of the beneficiary of a conventional loan to natural disasters.

The innovative PACAN product, launched in August 2024, covers Benin, Côte d'Ivoire, Senegal and Togo in its pilot phase, and offers soft loans to finance climate change adaptation projects, combined with parametric insurance, which activates automatically and rapidly in the event of a disaster.

PACAN is granted under BOAD's normal public sector lending procedure. However, the loan will be accompanied by a temporary waiver of the Bank's claim in the event of climatic contingencies of a predefined nature. This insurance policy enables the borrower to benefit immediately, and for a contractually predetermined period, from insurance up to the level of repayment commitments provided for in the contracted loan. In the event of a natural disaster, the insurance policy temporarily relieves the government of its debt servicing obligations, which will be covered by the insurer, thus freeing up budgetary resources and enabling countries to take emergency aid and reconstruction measures. The financial support provided by KFW will be used to develop the insurance product, as well as to subsidize premiums and interest rates. In addition, a significant proportion of the funds will be used to subsidize premiums. The insurance product is currently being structured.

68 av. de la Libération, BP 1172 Lomé, Togo
Tél. : +228 22 21 59 06 • Fax : : +228 22 21 52 67

www.boad.org     



BOAD

BANQUE OUEST AFRICAINE
DE DÉVELOPPEMENT