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Baseline assessment of the Sierra Leone Voluntary Sustainable Finance Principles

Sector-wide survey results and analysis

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Introduction

The first sector-wide baseline against Sierra Leone's Voluntary Sustainable Finance Principles

Sierra Leone's financial sector operates in an economy exposed to significant environmental and social pressures: climate variability, dependence on natural resources and a large population with limited access to formal finance. How banks and microfinance institutions allocate capital, price and manage risk, and treat their clients therefore carries consequences well beyond their own balance sheets. The Voluntary Sustainable Finance Principles were developed to give the sector a common framework for managing those consequences deliberately rather than incidentally.

The Principles

The nine Principles were jointly developed by the Sierra Leone Association of Commercial Banks (SLACB) and the Sierra Leone Association of Microfinance Institutions (SLAMFI), with technical support from Invest Salone, a UK-funded private sector development programme. The Principles are voluntary and span the full range of an institution's activity: the growth it finances (Principle 1); the conduct it observes and the business it declines (Principle 2); the rights it respects (Principle 3); the people it includes (Principle 4); the footprint of its own operations (Principle 5); the environmental and social risk it carries in its lending (Principle 6); the governance that oversees all of it (Principle 7); the capacity that makes it possible (Principle 8); and the transparency through which it accounts for its progress (Principle 9).

Purpose of this report

Committing to a set of Principles is not the same as implementing them. This report establishes, for the first time, where the sector actually stands against them. Sixteen financial institutions, 12 commercial banks and four microfinance institutions, assessed themselves against all nine Principles, and were asked to support each answer with documentary evidence. The result is a baseline: a self-reported but comparable account of current practice, and a common scale against which future progress can be measured. Institutions are anonymised throughout, and are referred to by rank or count rather than by name.

Intended audience and use

This is a technical baseline report for participating financial institutions, industry associations, regulators and development partners familiar with the Voluntary Sustainable Finance Principles and the accompanying investment-readiness toolkit. It formally documents the assessment methodology, consolidated results and resulting priorities. It is designed principally as a reference document: readers may use the methodology section to understand the scoring approach, the individual Principle sections to examine particular areas of performance, and the recommended

tasks to guide implementation. It is not intended to reproduce the full logic of the underlying Excel-based assessment model or necessarily to be read sequentially from cover to cover.

What the assessment found

The overall baseline score for the financial sector is 4.81 out of 27, or 17.8%, which places it in the **lowest of the five maturity tiers**. The picture is not uniform, however, and the variation is instructive. Where sustainable practice is anchored in obligations that already exist, the sector performs: exclusion screening and consumer protection, both underpinned by established compliance requirements, are its strongest areas. Where practice depends on voluntary commitment alone, it thins sharply. Governance, capacity-building and transparency – the three Principles that would make the others operational, verifiable and accountable – are close to absent and public disclosure is the weakest element of almost every Principle in the assessment.



The dominant pattern across most Principles is that commitments have been adopted on paper but not carried into practice. Ethical conduct and financial inclusion are the notable exceptions, and both appear to overlap with obligations already placed on regulated institutions. **This suggests an absence of enabling infrastructure more than an absence of intent**: sustainability governance, resourcing and disclosure are not required of institutions, and few appear to have adopted them voluntarily. The recommended tasks at the end of this report identify where further adoption can be supported.

How this report is organised

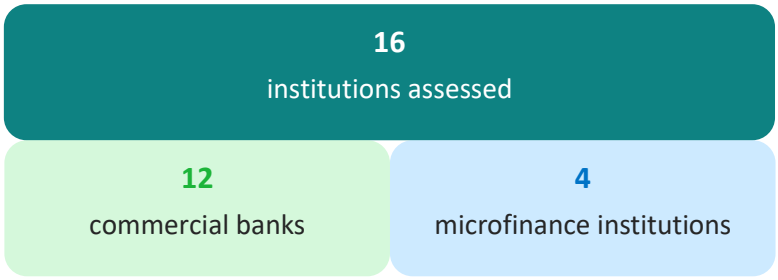
The methodology (p. 4) explains how the assessment was scored and how the maturity tiers should be read, including why this report divides the 'established' tier into two sub-ranges. The institution-level results section (p. 8) sets out the sector's overall standing and the spread between institutions. This is followed by detailed analyses of each of the nine Principles (starting p. 10), with a summary section consolidating the results at the end (p. 37). The recommended tasks section (p. 38) identifies the five Principles requiring priority action, the structural reasons the gaps persist, and what should be done about them. The 'journey forward' section (p. 44) sets out a phased path from this baseline to full implementation.

Methodology

How the sector was assessed and how to read the results that follow

This report presents the results of a sector-wide baseline self-assessment of sustainable finance in Sierra Leone. Sixteen financial institutions assessed themselves against all nine Voluntary Sustainable Finance Principles. The results reflect institutional self-assessments. Respondents were asked to support their answers with documentary evidence, and the extent of independent evidence validation should be borne in mind when interpreting the results. Institutions are anonymised throughout: they are referred to by rank or count, never by name.

The 16 participants span the two main types of regulated financial institution in Sierra Leone. Twelve are commercial banks, ranging from the subsidiaries of large regional and international banking groups to smaller domestic and state-owned banks. The remaining four are microfinance institutions, which reach lower-income and underserved clients that commercial banks often do not. Together they provide a broad cross-sectional picture of the participating commercial banks and microfinance institutions. The assessment does not record the total number of eligible institutions, the participation rate, or the participants' share of sector assets, lending or customers, so the results should be read as describing the institutions that took part rather than as a weighted account of the sector as a whole.



How the scores are built

The assessment framework is hierarchical (Figure 1). The nine Principles, running from 'sustainable economic growth' to 'transparency and accountability', are divided into 45 thematic sections, five per Principle, covering policy, implementation, monitoring and reporting. These sections are in turn made up of 78 questions, between seven and 10 per Principle, each of which specifies the supporting evidence an institution would be expected to hold. Every question is scored on a 0–3 scale: 0 = nothing is in place; 1 = emerging practice; 2 = established practice; and 3 = leading practice. Each Principle is then scored as the average of its questions, on the same 0–3 scale, and the nine Principle scores are aggregated into a normalised overall score out of 27. The assessment therefore produces two results for every institution: a maturity score on each of the nine Principles, and one overall score for the institution as a whole.

The weighting is deliberately simple, and three points follow from it. Each Principle score is the unweighted average of its questions. The nine Principle scores are then summed, so every Principle

carries equal weight in the overall score out of 27, even though the number of questions per Principle ranges from seven to 10; a question within a seven-question Principle therefore carries more influence over the total than one within a 10-question Principle. The sector average is an unweighted average across the 16 participating institutions and is not weighted by assets, lending, customers or market share, so a small microfinance institution counts equally with a large commercial bank.

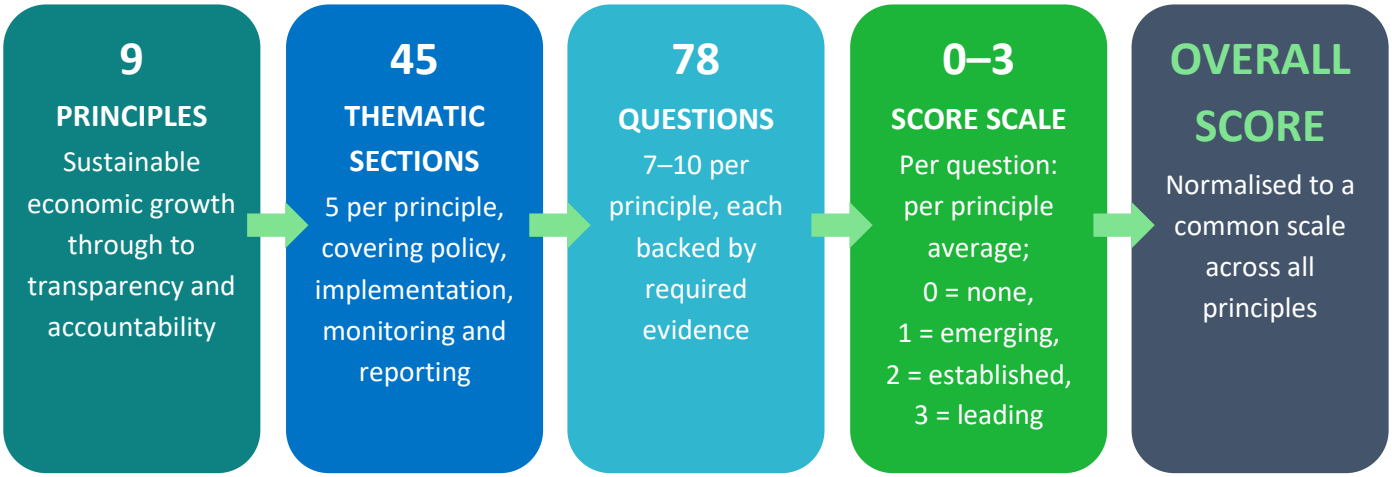


Figure 1: The assessment framework

The Principle-level maturity tiers

Each Principle's 0–3 average maps to a maturity tier: 0 = no formal approach; 0–1 = established; 1–2 = integrated; and 2–3 = leading (Figure 2).

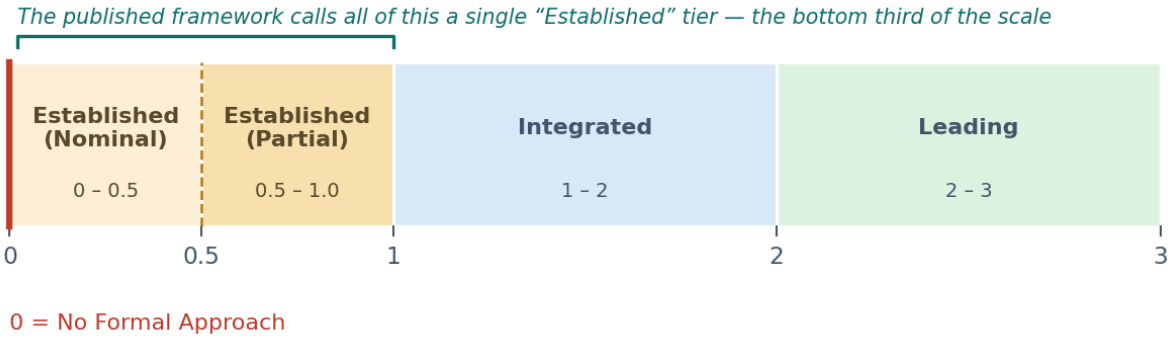


Figure 2: The Principle-level maturity tiers

Why this report distinguishes 'nominal' from 'partial'

The 'established' band is wide. It covers the entire bottom third of the scale, so a Principle scoring 0.2 and one scoring 0.9 both fall within it, despite representing very different levels of maturity. The word 'established' can therefore read more favourably than a low score within the band warrants.

To keep the Principle-level language consistent with what the scores actually show, this report divides the 'established' band into two ranges, defined in Table 1.

Table 1: The Principle-level maturity tiers explained

Maturity band	Score	What it means
No formal approach	0	No documented policy, procedure or verifiable practice for the Principle.
Established (nominal)	0–0.5	The Principle is formally acknowledged, but barely acted on: little is implemented, measured or disclosed.
Established (partial)	0.5–1	Some elements are genuinely in place, but application is uneven and far from complete.
Integrated	1–2	Sustainability is embedded in core operations, tracked through indicators and overseen by management.
Leading	2–3	Full integration with continuous improvement and transparent public disclosure, aligned to international standards.

The underlying scores are unchanged. The subdivision is descriptive only: it makes each Principle's standing more precise, so that a score near the scale floor is not mistaken for an established capability. Most of the nine Principles fall within these two 'established' ranges, and the analysis that follows uses the fuller labels throughout. Where a score falls exactly on a boundary, it is classified in the higher tier: a Principle scoring exactly 0.5 is treated as 'partial', and one scoring exactly 1 as 'integrated'. The same convention applies to the institution-level tiers below.

The overall institution score

Alongside the Principle-level scores, each institution also receives a single overall score. The nine Principle scores are combined into one score out of 27 – nine Principles, each worth up to 3 – and expressed as a percentage. This overall score maps to its own five-tier framework, which is more detailed at the low end than the Principle-level tiers (Table 2).

Table 2: The overall institution-level score explained

Overall tier	Score (of 27)	What it means
Little to no evidence	0–5.4 0–20%	Limited and fragmented evidence of implementation, with no consistent institution-wide approach.
Emerging	5.4–10.8 20–40%	Some initial actions exist but remain informal, undocumented or inconsistently applied.
Established	10.8–16.2 40–60%	Formal policies approved with defined responsibilities and consistent implementation in place.
Integrated	16.2–21.6 60–80%	Sustainability embedded in operations, tracked through key performance indicators and overseen by management.
Leading/best practice	21.6–27 80–100%	Sector leader with full integration, continuous improvement and public disclosure aligned to international standards.

The two frameworks are related but not identical. The Principle-level scale groups the whole bottom third of its range into a single 'established' tier; the institution-level scale is more exacting, separating 'little to no evidence' and 'emerging' before 'established' even begins, at 40%. A Principle can therefore read as 'established' while the institution as a whole sits far below that. **The sector's overall score, 4.81 out of 27, or 17.8%, falls in the lowest institution-level tier, 'little to no evidence'**. Dividing the Principle-level 'established' band into 'nominal' and 'partial' brings the two scales into closer agreement, so that the Principle pages describe the same low base the overall score reflects.

Institution-level results

How the 16 institutions scored overall, combining all nine Principles.

17.8%	1/16	0/16
sector average (lowest tier)	reached ‘established’	reached ‘integrated’ or ‘leading’

At the sector level, the overall score is low at 17.8%, within ‘little to no evidence’. Documented practice across the sector remains limited, fragmented and inconsistent, though it is not uniformly absent: some Principles, notably ethical conduct and financial inclusion, record substantially more activity than others. Eleven of the 16 institutions fall in that tier, four are ‘emerging’ and one reaches ‘established’. None reached ‘integrated or leading’, so the sector’s ceiling is a single institution at the low end of the ‘established’ band.

The distribution is weighted heavily towards the ‘little to no evidence’ and ‘emerging’ tiers at the base of the graph’s scale. The single ‘established’ institution, at 44%, sits 14 points clear of the next, and below the leading few, scores fall away quickly. Most institutions cluster between roughly 9% and 20%.

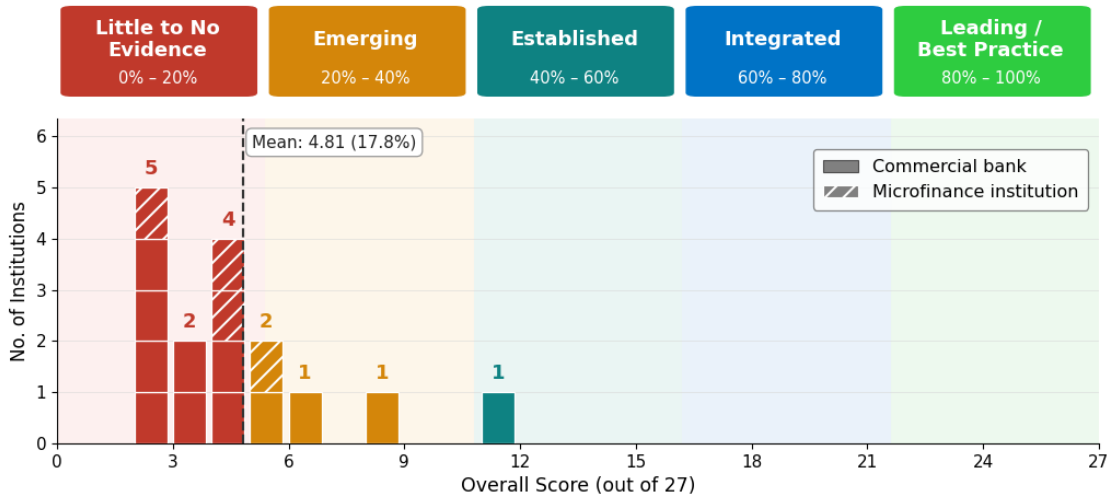


Figure 3: Distribution of institutions by overall score, against the five maturity tiers

Note: Each bar counts institutions within a one-point score band. Solid blocks are commercial banks; hatched blocks are microfinance institutions. Colours follow each institution’s own maturity tier.

Institution type is a weak predictor of maturity. The strongest performers are commercial banks, which hold the single ‘established’ institution and the sector’s highest scores; but most commercial banks sit at the lower end of the scale alongside the microfinance institutions, and the commercial group’s median is in fact slightly lower. The microfinance institutions cluster tightly in the low-to-

middle range without a standout. Both types, on average, fall within ‘little to no evidence’, so an institution’s category says little about how far it has progressed.

What institutions share is more telling than what separates them. Nearly every institution reaches the ‘integrated’ level on one Principle, ethical conduct and exclusions, because it rests on the anti-money-laundering and licensing compliance that all regulated institutions already maintain. At the other end, governance, capacity-building and transparency are near-universally absent: most institutions score 0 on all three. The sector therefore shares a compliance-driven floor and a capacity-and-transparency ceiling, and what separates institutions lies in between, in strategy, inclusion and environmental and social risk management. The Principle-by-Principle analysis that follows examines each of these in turn.

How to read each Principle

Each Principle is presented over two pages in a consistent format. A summary strip gives the sector average, the maturity tier, the Principle’s rank among the nine, and how many of the 16 institutions scored 0. A dispersion chart plots every institution as a single point on the 0–3 scale, against the shaded tier bands, so the spread and clustering are visible at a glance. A section chart breaks the Principle into its thematic areas to show where it is stronger and weaker internally, and a short table highlights the single weakest and strongest questions. A written analysis then interprets the pattern, followed by the key takeaways for that Principle.

Note: This is a self-assessment. The figures describe what institutions report of themselves against the evidence each question specifies; they are not the product of an independent audit.

Principle 1: Sustainable economic growth

A few institutions are pursuing it. Most show ambition with little behind it.

What it covers: Principle 1 is the foundational, aspirational Principle. It is the commitment the remaining eight Principles then put into practice. It asks whether an institution treats sustainable and inclusive economic growth as a deliberate line of business: integrating it into strategy and targets, mapping opportunities and partnerships, developing products to serve them, allocating budget and incentives to pursue them, and monitoring the growth of the sustainable portfolio.

What the score tells us: it captures whether sustainable growth is an active commercial strategy or only an aspiration. A high score means the institution identifies opportunities, builds products and resources teams to pursue them; a low score means sustainable growth is endorsed in Principle but not yet backed by products, budget or targets.

Figure 4 shows the scores at the institution level and a sector summary for Principle 1. Figure 5 shows the thematic section breakdown within this Principle. Table 3 shows the weakest and strongest questions within the Principle.

Sector average	Maturity tier	Rank in nine Principles	Institutions with a score of 0
0.47/3	Established (nominal)	#5	3/16

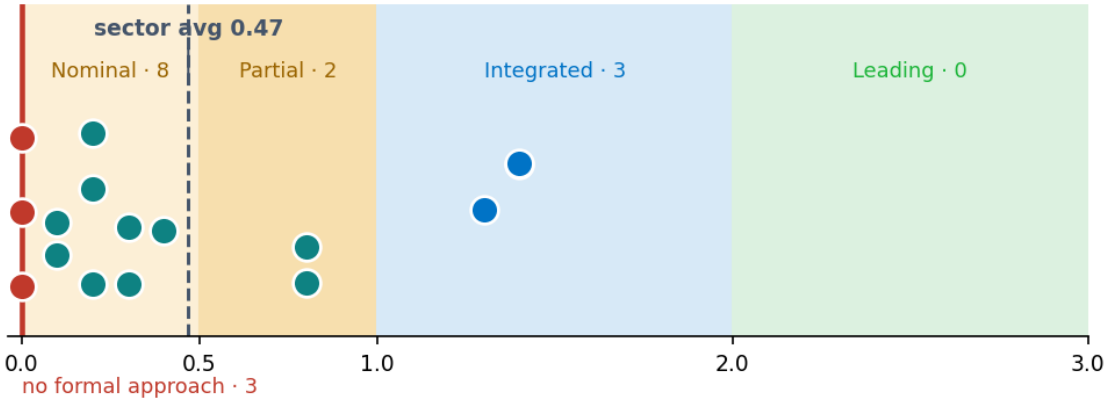


Figure 4: Institutional scores and overall sector average for Principle 1

Note: Each dot is one anonymised institution, placed on the 0–3 Principle scale. The 'established' range is divided into 'nominal' (0–0.5) and 'partial' (0.5–1).

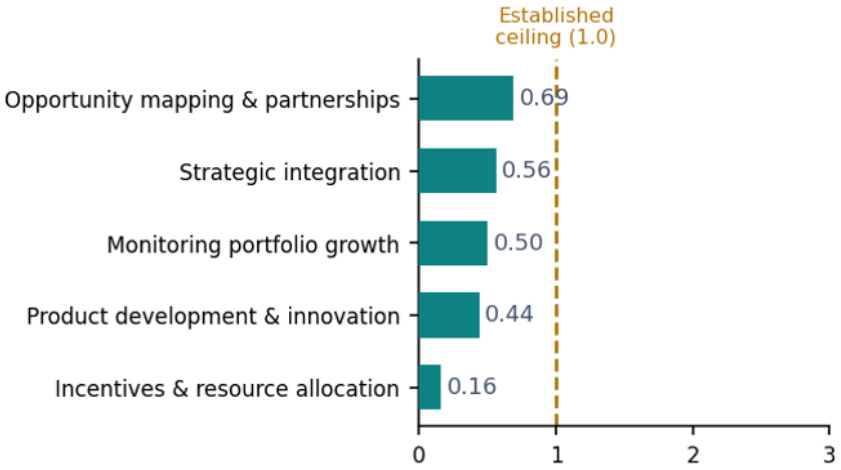


Figure 5: Thematic section breakdown within Principle 1

Table 3: Weakest and strongest questions

Weakest: 0/3	Business units or teams incentivised to originate sustainable or inclusive finance.
Strongest: 0.81/3	Specific sectors or projects that align with sustainable growth have been identified.

Survey thematic result analysis (strategy-to-delivery order)

- **Strategic integration (0.56)** is a relatively strong theme of the Principle. Where institutions engage with Principle 1, sustainability has usually been written into the stated strategy, though the targets and key performance indicators meant to operationalise it lag behind the high-level objective. The gap is also visible at the institution level: nine of the 16 institutions show some strategic intent, but six lack a dedicated budget and none uses origination incentives. For most, sustainable growth is a stated direction rather than a resourced one.
- **Opportunity mapping and partnerships (0.69)** is the strongest section, and the question on identifying specific sustainable sectors or projects is the highest scoring in the whole Principle. Institutions are comparatively good at seeing where sustainable growth could come from. Acting on it through development-finance partners scores lower, so the opportunity is more often recognised than converted into the relationships that would fund it.
- **Product development and innovation (0.44)** is lower than average, though the institutional split underlying the results is telling: institutions have done more to fold sustainability criteria into existing credit decisions than to develop dedicated sustainable products. Adapting current processes is easier than building new offerings, and it is the easier step that has happened. The products that would turn identified opportunities into business are, for most institutions, not yet there.
- **Incentives and resource allocation (0.16)** is the theme which most undermines the overall Principle score, but also the most diagnostically revealing section. Budget and resourcing are thin, and rewarding staff for originating sustainable or inclusive business is the single

weakest question in the Principle, scoring 0 across all 16 institutions. This is the clearest sign that sustainable growth is still treated as a stated aim rather than a commercial line: endorsed at the top but neither funded nor rewarded where origination actually happens.

- **Monitoring of sustainable portfolio growth (0.50)** sits in the middle, evenly split between tracking the portfolio and reviewing results at management level. A subset of institutions does measure sustainable growth, but they are monitoring a base of activity that the weaker execution sections show is still small. Measurement runs ahead of the lending it is meant to track.

Principle 1 key takeaways

- **A thin lead over a shallow field.** The 0.47 average score for Principle 1 sits in the 'nominal' range, and the distribution behind it is a small lead group of three institutions over a long, low tail: most of the sector registers only minimal activity and three record none. The divide reveals that only a few institutions report actively pursuing sustainable growth and a majority are not reporting.
- **Capability is concentrated and tracks overall standing.** Three institutions account for more than half of all the sustainable growth activity recorded under this Principle, and they are the same three that lead the assessment overall. As elsewhere in the survey, the capability appears where institutions are already stronger across the board rather than as a standalone strength.
- **Ambition ahead of mechanism.** Across the sections, the sector is strongest in setting strategy and identifying opportunities, and weakest at converting these into products and, above all, into budget and incentives. For most institutions, sustainable growth is a stated direction not yet backed by the products, resourcing or rewards that would make it a commercial reality, a more precise reading than the 'established' (nominal) tier alone conveys.

Principle 2: Ethical conduct and exclusions

The sector's strongest Principle, and the only one operating at scale. Applied almost everywhere, disclosed almost nowhere.

What it covers: Principle 2 is about whether an institution applies clear ethical limits to what it will finance. Ideally this should take the form of: a formal exclusion or ethical finance policy, benchmarked to international standards, applied by screening transactions against an exclusion list, supported by trained staff and reported on to management and the public.

What the score tells us: it captures whether ethical limits are an enforced part of lending or only a statement of values. A high score means transactions are screened against a defined exclusion list as routine practice; a low score means ethical commitments are stated but not consistently applied at the point of credit.

Figure 6 shows the scores at the institution level and a sector summary for Principle 2. Figure 7 shows the thematic section breakdown within this Principle. Table 4 shows the weakest and strongest questions within the Principle.

Sector average	Maturity tier	Rank in nine Principles	Institutions with a score of 0
1.47/3	Integrated	#1	0/16

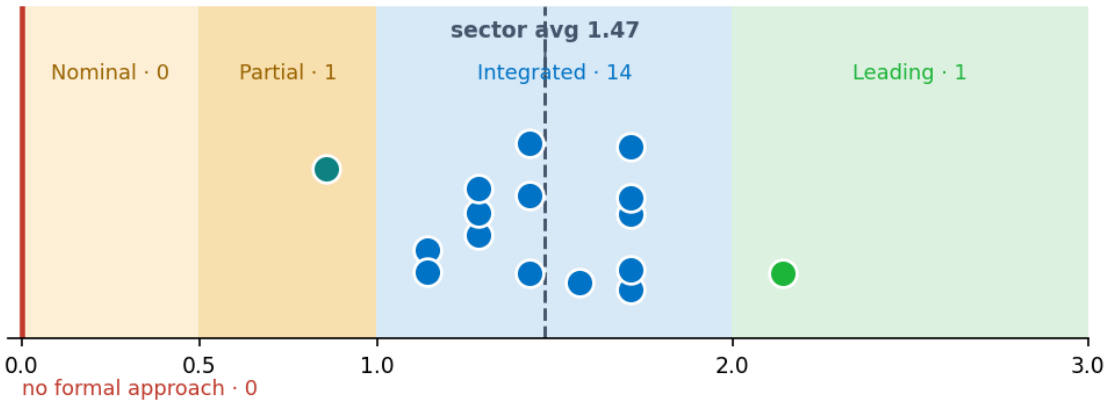


Figure 6: Institutional scores and overall sector average for Principle 2

Note: Each dot is one anonymised institution, placed on the 0–3 Principle scale. The 'established' range is divided into 'nominal' (0–0.5) and 'partial' (0.5–1).

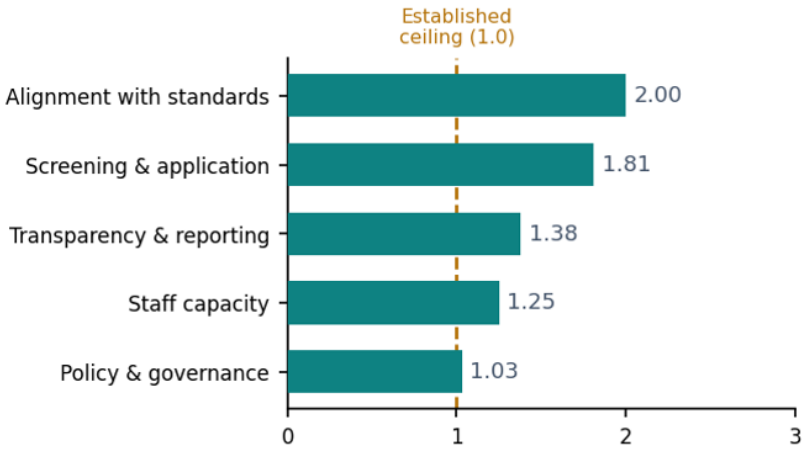


Figure 7: Thematic section breakdown within Principle 2

Table 4: Weakest and strongest questions

Weakest: 0.13/3	The exclusion policy has been publicly disclosed, for example on a website or in an annual report.
Strongest: 2.44/3	All new transactions are screened against the exclusion list.

Survey thematic result analysis (policy-to-disclosure order)

- **Policy and governance (1.03)** looks middling, but it hides the Principle's sharpest split. All 16 institutions have a formal exclusion or ethical finance policy, one of the highest-scoring questions in the whole assessment; yet only one publicly discloses it, the single weakest question in the Principle. The foundation is universal and its visibility almost absent, so the modest section average reflects the disclosure gap rather than the policy itself.
- **Alignment with standards (2)** is the strongest section in this Principle. Most institutions anchor their exclusion policy to recognised international standards rather than defining it ad hoc, which is part of why the policies look so consistent across a sector that diverges sharply elsewhere. The ethical limits are drawn from an external template more than built from scratch.
- **Staff capacity (1.25)** is relatively strong by the standards of this assessment: in most institutions the relevant credit, risk and compliance staff are trained to apply the exclusion list. This is notable because staff capacity tends to be weaker in most other Principles; here it is not, consistent with the capability sitting within the established compliance function rather than one built for sustainable finance.
- **Screening and application (1.81)** is the operational core, and screening every new transaction against the exclusion list is the single strongest question in the entire Principle. This is the clearest instance in the whole survey of a risk control that genuinely operates at scale: in most institutions the exclusion list is applied as routine practice, and records of

declined transactions are kept more often than not. Where other Principles stall between policy and practice, this one closes the gap.

- **Transparency and reporting (1.38)** covers internal reporting on how the exclusion policy is applied, and it received a middling score: management is kept informed more often than not, but this is the softer end of an otherwise strong Principle. Taken with the near-absent public disclosure noted in Principle 1, the policy is applied and reported inside institutions but barely surfaces outside of them. Even the sector's strongest Principle reflects its weakest theme: the transparency and disclosure gap that runs through the assessment (Principle 9, 0.09).

Principle 2 key takeaways

- **A genuine sector-wide base.** The 1.47 average score for Principle 2 sits in the 'integrated' band, and the distribution behind it is a tight cluster rather than a split: no institution scores 0, 15 of the 16 reach at least the 'integrated' level, and the spread from weakest to strongest is narrow. It is the only Principle whose average reaches 'integrated', and the one capability the sector performs with any consistency.
- **Strength here is independent of overall standing.** On the other Principles, capability tracked overall maturity: the leaders were the strongest institutions overall. Here that link disappears. Performance is essentially uncorrelated with overall rank, and every one of the eight lowest-ranked institutions overall still reaches the 'integrated' band. This points to the capability resting on a baseline that institutions already share rather than on investment specific to sustainable finance. The Principle's own guidance anticipates exclusion screening being carried out through existing compliance checks, and the pattern here may partly reflect that overlap, though the survey does not test which controls institutions rely on.
- **Applied everywhere, disclosed almost nowhere.** The Principle is genuinely operational, and screening against the exclusion list is routine practice, but its outward face is missing: all 16 institutions hold an exclusion policy, but only one discloses it publicly. The sector enforces its ethical limits internally far more than it shows them externally, so the transparency gap that defines its weakest Principles surfaces even in its strongest.

Principle 3: Human rights

The positive approach to gender equity carries this Principle, while the human rights aspect barely registers. No institution reports on either, internally or publicly.

What it covers: Principle 3 is about whether an institution respects human rights and advances gender equity in both its financing and its own operations, including in policy and public commitment, screening human rights and gender risks in credit, offering gender-inclusive products, addressing diversity in its workforce, and reporting on outcomes.

What the score tells us: it captures whether human rights and gender considerations are acted on or only espoused. A high score means the institution screens these risks, serves women as a distinct market and tracks the results; a low score means the commitment is general and largely unmeasured.

Figure 8 shows the scores at the institution level and a sector summary for Principle 3. Figure 9 shows the thematic section breakdown within this Principle. Table 5 shows the weakest and strongest questions within the Principle.

Sector average	Maturity tier	Rank in nine Principles	Institutions with a score of 0
0.63/3	Established (partial)	#3	0/16

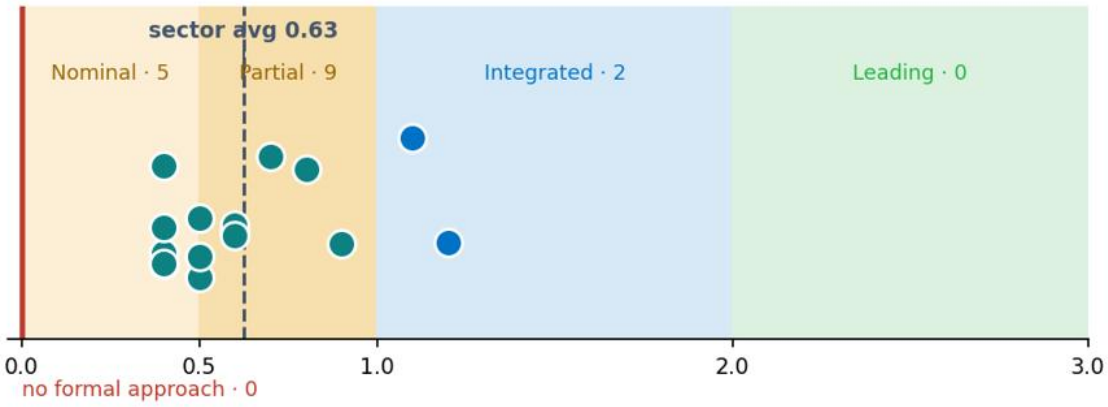


Figure 8: Institutional scores and overall sector average for Principle 3

Note: Each dot is one anonymised institution, placed on the 0–3 Principle scale. The 'established' range is divided into 'nominal' (0–0.5) and 'partial' (0.5–1).

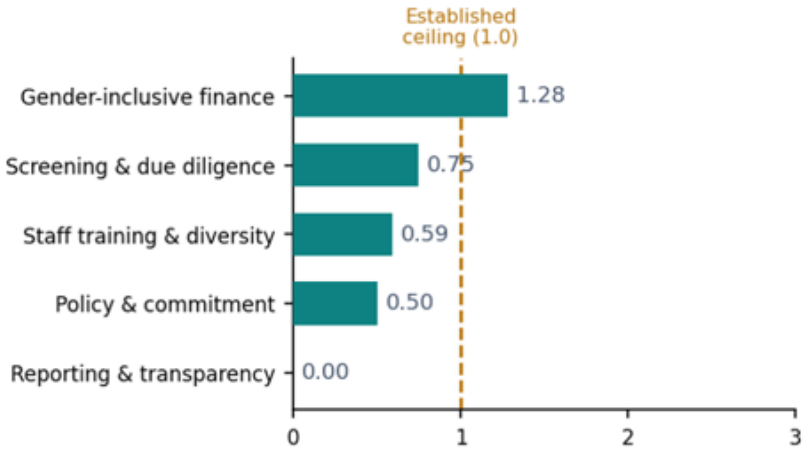


Figure 9: Thematic section breakdown within Principle 3

Table 5: Weakest and strongest questions

Weakest: 0/3	Internal reporting or public disclosure of human rights and gender outcomes.
Strongest: 1.56/3	The institution collects and tracks gender-disaggregated data.

Survey thematic result analysis (commitment-to-accountability order)

- **Policy and commitment (0.50)** is defined by the lack of a public commitment to human rights and gender equity, which scores close to 0, the second-weakest question in the Principle. Whatever positions institutions hold internally, they are almost never stated outwardly. As with the exclusion policy in Principle 2, the commitment exists more on paper than in public view.
- **Screening and due diligence (0.75)** combines two uneven halves. A grievance-redress mechanism for customers is relatively common, among the stronger questions in the Principle, but explicitly assessing human rights and gender risks in credit decisions is weak. Institutions are more likely to offer a channel for complaints after the fact than to screen these risks before lending, so the human rights dimension barely enters the credit process.
- **Gender-inclusive finance (1.28)** is the strongest section and the engine of the Principle. Collecting and tracking gender-disaggregated data is the single strongest question here, and dedicated products for women are relatively common. This is the one part with genuine traction, and it is also the part that overlaps with the financial inclusion agenda, on which the sector performs comparatively well elsewhere. Gender equity is pursued as a market to serve, not only a value to hold, which is why it outscores everything around it.
- **Staff training and diversity (0.59)** is uneven: promoting gender diversity in staffing and leadership is moderate, but training staff on human rights and gender is weak. Institutions do more about the composition of their workforce than about equipping it, so the commitment shows up in who is hired more than in what staff are prepared to handle.

- **Reporting and transparency (0)** is the starkest result in the Principle, and one of the starkest in the assessment. Both questions, internal reporting to management and public disclosure of human rights and gender outcomes, score 0 across all 16 institutions. Whatever is being done is invisible: not reported inside the institution, not disclosed outside it. It is the most absolute form of the transparency gap that recurs throughout the survey (Principle 9), an entire section at 0.

Principle 3 key takeaways

- **Universal but shallow.** The 0.63 average score for Principle 3 masks a low, even spread: no institution scores 0, yet only two reach the 'integrated' band, and barely, with the rest sitting across 'partial' and 'nominal'. There is no leading group pulling away as in some Principles where there is a pronounced gulf between clusters of institutions: the whole sector does a little and almost none of it does much, and what slight edge the stronger institutions hold again tracks their overall standing.
- **Gender carries it; the human rights half barely registers.** The Principle bundles two aspects, and the result are starkly different. Gender-inclusive finance is the one section with real traction, while the explicitly human rights elements, risk screening in credit, public commitment and reporting, are the weakest in the Principle. Strength sits where the agenda doubles as a market to serve, not where it is purely a safeguard to uphold.
- **Acted on quietly, reported nowhere.** Where the sector engages, mainly on the gender side, it does so without surfacing it: the entire reporting section scores 0. The genuine activity that exists cannot be seen, governed or built on, so the Principle's outward accountability is not merely weak but absent – the sector's transparency gap in its most complete form.

Principle 4: Financial inclusion

The sector's second-strongest Principle, and one it genuinely delivers. Inclusion reaches clients through products and protections, but is barely measured and rarely disclosed.

What it covers: Principle 4 is about whether an institution actively widens access to finance for underserved groups, such as through a formal inclusion strategy, consumer protection and financial literacy for these clients, products and delivery channels that reach them, tracking of inclusion performance and public reporting on progress.

What the score tells us: it captures whether inclusion is built into how the institution does business or only stated as an aim. A high score means the institution offers inclusive products, reaches clients through alternative channels, and protects them; a low score means inclusion is endorsed but not yet delivered, measured or disclosed.

Figure 10 shows the scores at the institution level and a sector summary for Principle 4. Figure 11 shows the thematic section breakdown within this Principle. Table 6 shows the weakest and strongest questions within the Principle.

Sector average	Maturity tier	Rank in nine Principles	Institutions with a score of 0
0.99/3	Established (partial)	#2	0/16

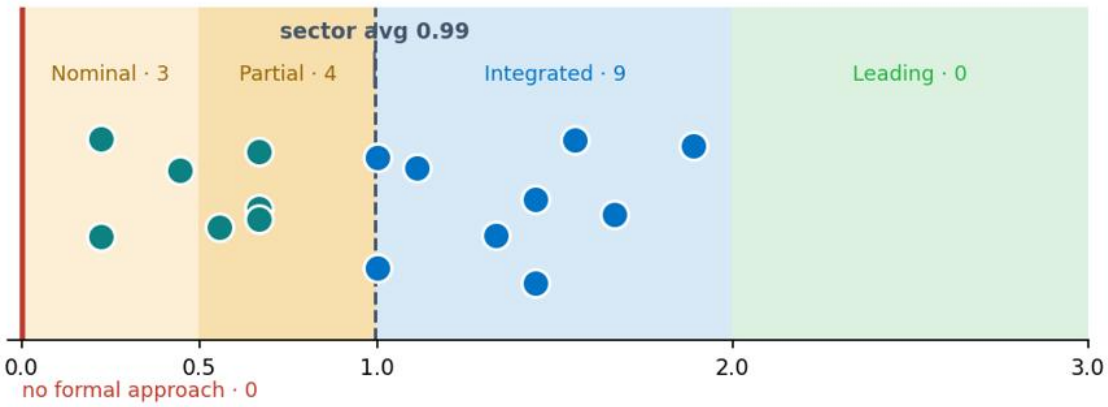


Figure 10: Institutional scores and overall sector average for Principle 4

Note: Each dot is one anonymised institution, placed on the 0–3 Principle scale. The 'established' range is divided into 'nominal' (0–0.5) and 'partial' (0.5–1).

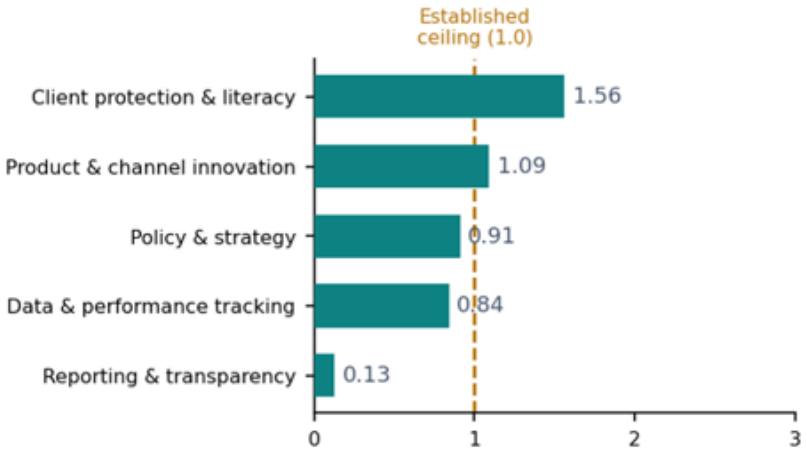


Figure 11: Thematic section breakdown within Principle 4

Table 6: Weakest and strongest questions

Weakest: 0.13/3	The institution publicly discloses progress on financial inclusion.
Strongest: 2/3	The institution has a consumer protection and fair-lending policy.

Survey thematic result analysis (strategy-to-disclosure order)

- **Policy and strategy (0.91)** shows inclusion treated as a business matter rather than a side commitment: objectives are more often woven into the overall strategy than written into a standalone inclusion policy. For a sector in which underserved clients are themselves a market, that placement is telling. Inclusion is pursued because it is close to how many institutions compete, not bolted on as an obligation.
- **Product and channel innovation (1.09)** is where inclusion is actually delivered, and it is one of the stronger sections. Institutions offer products aimed at underserved groups and, as importantly, reach them through alternative channels such as mobile and agent banking. This is the operational core of the Principle, and unlike most areas of the survey it is genuinely operating: inclusion here is delivered, not merely declared.
- **Client protection and financial literacy (1.56)** is the strongest section, carried by consumer protection and fair lending, the single strongest question in the Principle. As with the exclusion regime in Principle 2, the strength sits in an element that may partly reflect overlap with established compliance requirements, though the survey does not test the regulatory framework directly. Financial-literacy and client-awareness work is present but scores more lightly, so clients are protected more consistently than they are educated to make financial decisions.
- **Data and performance tracking (0.84)** sits below the delivery sections. Institutions collect client-level data on who they reach reasonably often, but regular management reporting on inclusion performance is weaker. The data is gathered more than it is used, reaching systems

more readily than the decision-makers who would act on it, which limits how far inclusion is actively managed rather than simply pursued.

- **Reporting and transparency (0.13)** shows the now familiar scale-base skewed distribution: public disclosure of inclusion progress is near 0, the single weakest question in the Principle. Even where the sector genuinely delivers, as it does here, it does not show the results outside the institution. Inclusion is performed and, to a degree, tracked internally, but its outward account is almost absent, the same transparency gap that closes out Principle after Principle.

Principle 4 key takeaways

- **Strong and broadly held.** The 0.99 average score for Principle 4 sits just below the 'integrated' threshold, and the distribution is broad: no institution scores 0, while nine of the 16 reach the 'integrated' band, second only to Principle 2. On inclusion, the sector is closer to a shared norm than to a leading cluster of early adopters.
- **The leaders here are not the usual ones.** In most Principles, the strongest institutions overall are also the strongest on the Principle. Here the link is looser: the institutions leading on inclusion are mostly not those that lead the assessment overall, and the highest-ranked institution overall sits only mid-table on inclusion. This points to inclusion reflecting an institution's market focus – who it sets out to serve – as much as its general maturity. After the compliance-anchored Principle 2, it is the Principle whose strength is least tied to overall standing.
- **Delivered in practice, invisible on paper.** Inclusion is the clearest case in the survey of a Principle where the sector has maximum autonomy: products, channels and client protections are in place. The sector does inclusion better than it accounts for it, so the binding constraint here is not delivery but the tracking and transparency around it.

Principle 5: Operational sustainability

The sector barely manages its own environmental footprint, and what little exists is about staff welfare, not the environment. Almost no institution measures its emissions, and none discloses progress.

What it covers: Principle 5 is about whether an institution manages its own environmental and social footprint, leading by example in its operations. This may include having a policy covering its own conduct; managing energy, water and resource use; measuring and reducing emissions; applying sustainability criteria in procurement; and engaging staff and reporting on progress.

What the score tells us: it captures whether an institution practices internally what it is asked to finance externally. A high score means it tracks its resource use and emissions, sets targets and acts on them; a low score means its own footprint is largely unmeasured and unmanaged.

Figure 12 shows the scores at the institution level and a sector summary for Principle 5. Figure 13 shows the thematic section breakdown within this Principle. Table 7 shows the weakest and strongest questions within the Principle.

Sector average	Maturity tier	Rank in nine Principles	Institutions with a score of 0
0.29/3	Established (nominal)	#6	0/16

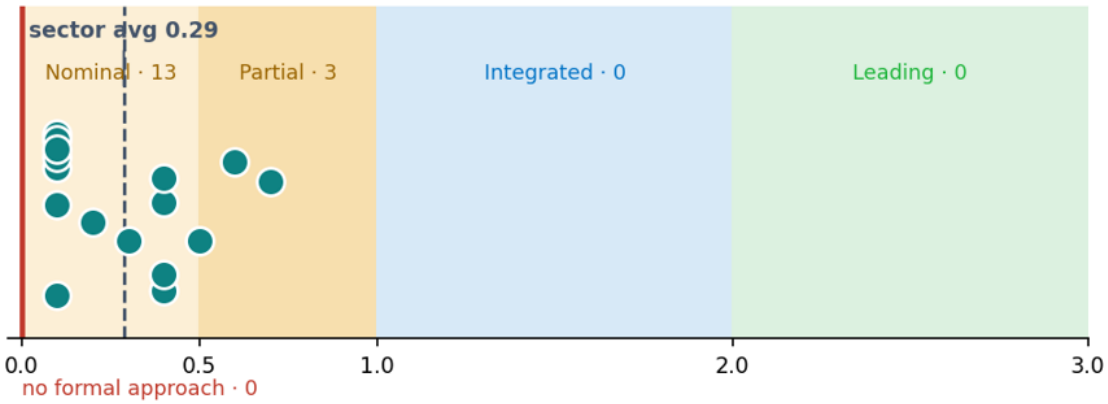


Figure 12: Institutional scores and overall sector average for Principle 5

Note: Each dot is one anonymised institution, placed on the 0–3 Principle scale. The 'established' range is divided into 'nominal' (0–0.5) and 'partial' (0.5–1).

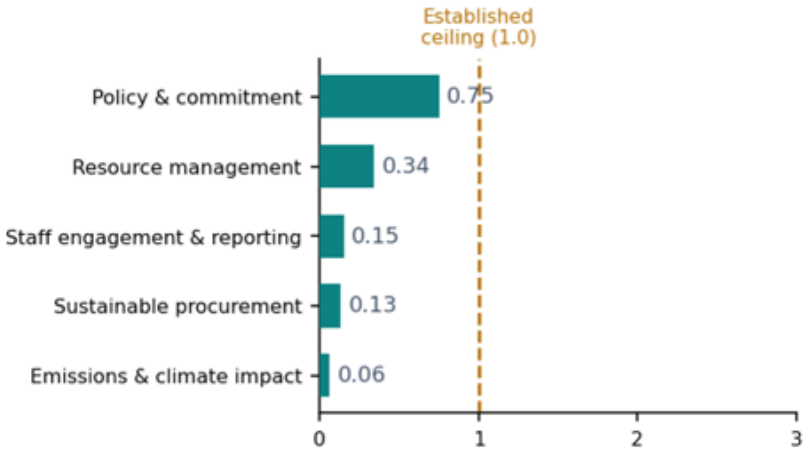


Figure 13: Thematic section breakdown within Principle 5

Table 7: Weakest and strongest questions

Weakest: 0/3	The institution publicly discloses progress on reducing its footprint.
Strongest: 1.19/3	The institution's internal policy also covers staff welfare.

Survey thematic result analysis (footprint-management order)

- **Policy and commitment (0.75)** is the highest-scoring section, but it sits apart from the rest of the Principle. It is lifted mainly by the social side of internal conduct, staff welfare, diversity and occupational health, which is the single strongest question here. Beneath it the environmental actions – tracking resources, cutting emissions and greening procurement – fall away sharply. The section reflects attention to staff more than the management of an environmental footprint.
- **Resource management (0.34)** is where the environmental side first appears, and it is a faint signal. A handful of institutions track energy and water use or have started resource-reduction initiatives, but both sit low. This is the most accessible environmental action an institution can take in its own operations, and the sector has barely begun it.
- **Emissions and climate impact (0.06)** is the deepest gap in the Principle and close to absent. Monitoring carbon or greenhouse-gas emissions and setting reduction targets both score near 0. The sector does not measure its own carbon and environmental footprint, so there is nothing to manage or reduce against. An institution that does not measure its emissions cannot set a target or track improvement, so this dimension is not so much weak as not yet started.
- **Sustainable procurement (0.13)** is near absent. Only two institutions report applying any sustainability criteria to what the institution buys. An institution's supply chain is an indirect but real part of an institution's impact, but sustainability is not yet part of how purchasing decisions are made.

- **Staff engagement and reporting (0.15)** has a low upper range and ends at 0. Some institutions involve staff in sustainability-awareness activity, but internal management reporting is minimal and public disclosure of footprint progress scores 0 across all 16 institutions.

Principle 5 key takeaways

- **Gestured at everywhere, acted on nowhere.** The 0.29 average score for Principle 5 describes a sector where all institutions do a little and none do much: no institution scores 0, but the highest score in the Principle is 0.70 and 13 of the 16 sit in the 'nominal' band.
- **The social side shows; the environmental side does not.** What little the Principle records is concentrated in staff welfare, the human side of internal conduct. The environmental core of resource use, emissions and procurement is near absent, and emissions measurement is effectively non-existent. As on Principle 3, a composite Principle splits along the same seam: the people-facing half registers, while the harder but measurable environmental half does not.
- **Nothing measured, nothing shown.** An institution cannot reduce a footprint it does not measure, and the sector does not measure it: carbon monitoring and reduction targets sit near 0, and public disclosure is an outright 0. This is the Principle that asks institutions to practise internally what they support externally, and it shows the widest gap between the agenda and the institutions' own operations: the footprint is not tracked, managed or disclosed.

Principle 6: Environmental and social risk management

A cohort of institutions have made material progress on systems though nearly half the sector has none.

What it covers: Principle 6 is about whether an institution identifies and manages the environmental and social risks of what it finances, across the whole credit cycle. This might include an approved environmental and social risk policy and clear roles; screening and categorisation of transactions; due diligence and monitoring of higher-risk clients; integration into enterprise risk; and the capacity and reporting to sustain it.

What the score tells us: it captures whether environmental and social risk in the loan book is actually being controlled, not just acknowledged. A high score means risk is screened, categorised and monitored as a routine part of lending; a low score means financing decisions are made with little sight of the environmental and social exposures they carry.

Figure 14 shows the scores at the institution level and a sector summary for Principle 6. Figure 15 shows the thematic section breakdown within this Principle. Table 8 shows the weakest and strongest questions within the Principle.

Sector average	Maturity tier	Rank in nine Principles	Institutions with a score of 0
0.57/3	Established (partial)	#4	7/16

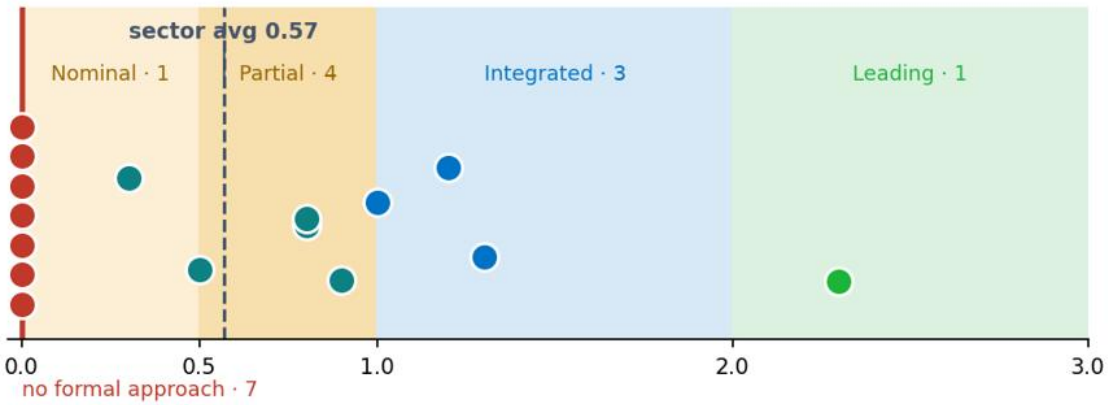


Figure 14: Institutional scores and overall sector average for Principle 6

Note: Each dot is one anonymised institution, placed on the 0–3 Principle scale. The 'established' range is divided into 'nominal' (0–0.5) and 'partial' (0.5–1).



Figure 15: Thematic section breakdown within Principle 6

Table 8: Weakest and strongest questions

Weakest: 0.19/3 Internal or public reporting on environmental and social risk management performance.
Strongest: 0.81/3 A formal environmental and social risk policy exists, and roles and responsibilities are defined.

Survey thematic result analysis (credit cycle order)

- **Policy and governance (0.81)** is the strongest section, and the most accessible: an institution can approve a policy and name who is responsible for environmental and social risk without changing how loans are assessed. What this section measures is the policy and the roles that sit inside the risk function, not the institutional governance architecture assessed under Principle 7 below (scoring only 0.23), and the two results are consistent rather than contradictory. Roles for managing environmental and social risk are reported as defined in seven of the 16 institutions, the same seven that Principle 7 records as having assigned an environmental and social role, but board-level accountability exists in only two of the 16, and audit in one. Naming an owner is not the same as governing the issue. The score here reflects stated intent, not a working control, and the gap shows at the institution level, where five of the eight institutions with a formal environmental and social policy record no due diligence or monitoring at all. For most, the commitment is documentary.
- **Risk screening and categorisation (0.66)** is the first operational stage, checking and classifying transactions before approval, and the result is only partial: screening is applied selectively rather than as a consistent gate. Categorisation scores marginally higher than the screening it depends on, suggesting tiering frameworks exist on paper but are not consistently run, so risk is caught case by case rather than systematically.
- **Due diligence and monitoring (0.38)** is where the Principle weakens most, and the most diagnostic section: both reviewing higher-risk clients and tracking them after disbursement

cover only about half of a thorough, ongoing due diligence screen. This is where environmental and social risk would shift from a one-off check at approval to an exposure managed over the life of the loan, and the sector largely disengages. Since environmental and social problems usually surface during a project rather than at signing, screening without monitoring leaves risks uncaptured when they materialise.

- **Integration with the enterprise risk framework (0.69)** sits higher than the screening and due diligence work beneath it, carried mainly by board-level discussion rather than embedding in day-to-day credit assessment. Environmental and social risk reaches senior management oversight more readily than the lending process, a sign of recognition ahead of capability, which is consistent with the low result on environmental and social governance in Principle 7 (0.23), where embedded structure rather than discussion is assessed.
- **Capacity and reporting (0.31)** is the lowest section, and as the enabling layer it caps the rest. Training is limited and reporting is the single lowest-scoring question in the Principle (0.19): without trained staff, screening and due diligence are hard to sustain, and without reporting, findings are neither recorded nor escalated. A function that is neither resourced nor measured cannot hold, which sets the ceiling for the Principle and ties it to the low capacity-building (Principle 8, 0.07) and transparency and accountability (Principle 9, 0.09) results below.

Principle 6 key takeaways

- **A divided sector, not a developing one.** The 0.57 average score for Principle 6 masks a split: a few institutions have working systems, while most sit at or near 0, seven with no process at all. The typical institution is not *partially* managing environmental and social risk, but not managing it *at all*, and because the average is lifted by a few strong performers, it overstates where most of the sector stands.
- **Capability is concentrated and tracks overall standing.** Three institutions account for just over half of all the environmental and social risk capability recorded under this Principle, and the three highest scorers here are the three highest-scoring institutions in the whole assessment. The six lowest-ranked institutions overall each record nothing. On the survey's evidence, environmental and social risk management emerges where institutions are already stronger across the board, not as a standalone strength in otherwise lower-scoring institutions.
- **'Established' in policy, not yet in practice.** Across the sections, the Principle follows a consistent gradient: strongest in policy and oversight, weaker through screening and due diligence, weakest in the capacity and reporting that underpin them. Among the institutions showing any activity, policy is more developed than implementation; half the sector reports a formal policy, and seven institutions record nothing at all. That is a more precise reading of where things stand than the 'established (partial)' tier alone conveys.

Principle 7: Environmental and social governance

Genuine environmental and social governance exists at a single institution; nine have none at all. The little that others show is in the form of a named role without the structure, oversight or disclosure to support it.

What it covers: Principle 7 is about whether an institution has a governance structure for environmental and social issues. This should ideally be a formal framework with board-level accountability, defined roles, internal controls and audit, support for clients' own governance, and public disclosure of how environmental and social issues are governed.

What the score tells us: it captures whether environmental and social issues sit inside the institution's governance and oversight or are handled informally, if at all. A high score means a defined structure with board accountability and audit; a low score means environmental and social issues have no formal home in how the institution is governed.

Figure 16 shows the scores at the institution level and a sector summary for Principle 7. Figure 17 shows the thematic section breakdown within this Principle. Table 9 shows the weakest and strongest questions within the Principle.

Sector average	Maturity tier	Rank in nine Principles	Institutions with a score of 0
0.23/3	Established (nominal)	#7	9/16

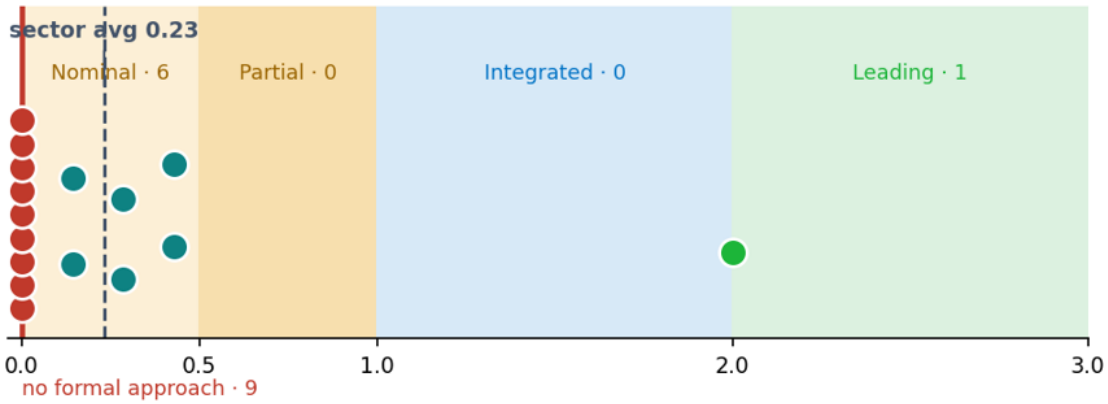


Figure 16: Institutional scores and overall sector average for Principle 7

Note: Each dot is one anonymised institution, placed on the 0–3 Principle scale. The 'established' range is divided into 'nominal' (0–0.5) and 'partial' (0.5–1).



Figure 17: Thematic section breakdown within Principle 7

Table 9: Weakest and strongest questions

Weakest: 0/3	The institution publicly discloses its environmental and social governance structure.
Strongest: 0.69/3	Specific staff or committees are assigned environmental and social roles and responsibilities.

Survey thematic result analysis (framework-to-disclosure order)

- **Governance structure and accountability (0.19)** is the foundation of the Principle, and it is near absent. A formal environmental and social governance framework, and board or senior management responsibility for it, both score very low: each is present in only two of the 16 institutions. Thirteen institutions have neither, and only one has both. For most of the sector, environmental and social issues have no defined place in how the institution is governed: no framework contains them and no one at the board level is accountable for them.
- **Roles and responsibilities (0.69)** is the one relatively strong part, and revealingly so. Assigning specific staff or committees an environmental and social role is the single strongest question in the Principle, and it sits well above the governance framework around it. Naming a focal point is the first step the guidance recommends, and the sector has largely taken that recommendation, but not the structural steps that should follow – a framework, board accountability and audits. A role has been assigned more often than a system has been built to give it authority, which is why naming someone has not yet translated into governing much. This is consistent with Principle 6, which records roles for managing environmental and social risk as defined in a similar number of institutions. The difference between the two Principles is not whether roles exist, but whether a governance structure surrounds them: board accountability is present in two institutions and audits in one, against seven that have named a focal point.

- **Internal controls and audits (0.16)** is among the lowest-scoring sections. Whether environmental and social governance is audited at all, and whether any findings reach senior management, both sit near 0. Even where a role or a fragment of structure exists, nothing checks that it functions: there is no assurance layer over environmental and social governance, so what little exists operates unverified.
- **Client governance assessment (0.25)**, which looks outward to whether institutions help clients improve their own environmental and social governance, is near absent. This is unsurprising: with internal governance itself barely formed, there is little for an institution to extend to its clients, and the survey shows it does not.
- **Reporting and transparency (0)** is, once again, 0: no institution publicly discloses its environmental and social governance structure. As in every Principle so far, disclosure is the weakest theme, and this is now the third Principle whose outward account is not merely weak but an absolute 0.

Principle 7 key takeaways

- **Governance exists at one institution, not across the sector.** The 0.23 average score for Principle 7 rests almost entirely on one institution. A single institution reaches the 'leading' band on its own and accounts for a little over half of all capability recorded under the Principle, while nine of the 16 score 0 and the remainder register only a trace. Concentration is higher still under capacity-building, where one institution holds close to nine-tenths of the total. Environmental and social governance is therefore not an emerging sector practice but something close to a singleton, present in developed form at one institution and largely absent elsewhere, and it tracks overall standing as closely as any Principle.
- **A first step, not yet a system.** Below the single leader, what little exists is the assignment of a role rather than the structure around it: roles are named more often than a framework, board accountability or audits are in place. Assigning a focal point is the entry point the guidance recommends, so this is an early step rather than a wrong one, but it is only that: the scaffolding that gives a role authority is not yet there. It echoes the finding under Principle 6, that environmental and social issues reach the boardroom for discussion more readily than they are built into structure.
- **Unverified and undisclosed.** For most of the sector, environmental and social issues have no governance at all; for the few that show a trace, it is neither audited nor disclosed. Nothing checks that it works and nothing makes it visible, so the little that exists can be neither relied on nor seen. The Principle meant to hold environmental and social practice to account is, across the sector, the least accountable of all.

Principle 8: Capacity-building

The lowest-scoring Principle in the assessment. Fourteen of the 16 institutions report no capacity-building activity at all, leaving the foundation the other Principles depend on almost entirely absent.

What it covers: Principle 8 is about whether an institution builds the skills to apply all the others, including a capacity-building strategy and budget, training tools and materials, participation in sector-wide learning, support for clients' capacity and tracking of whether the training works. It is the enabling Principle that turns policy into competent practice.

What the score tells us: it captures whether staff are equipped to identify, assess and manage environmental and social risks and opportunities, or are expected to apply policies they have not been trained for. A high score means structured, resourced and monitored capacity-building; a low score means the institution has invested little in the skills its other commitments require.

Figure 18 shows the scores at the institution level and a sector summary for Principle 8. Figure 19 shows the thematic section breakdown within this Principle. Table 10 shows the weakest and strongest questions within the Principle.

Sector average	Maturity tier	Rank in nine Principles	Institutions with a score of 0
0.07/3	Established (nominal)	#9	14/16

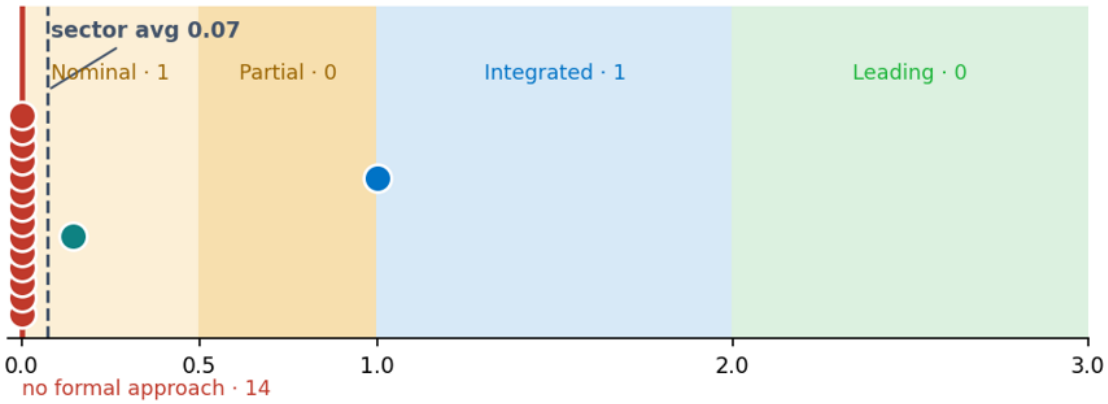


Figure 18: Institutional scores and overall sector average for Principle 8

Note: Each dot is one anonymised institution, placed on the 0–3 Principle scale. The 'established' range is divided into 'nominal' (0–0.5) and 'partial' (0.5–1).

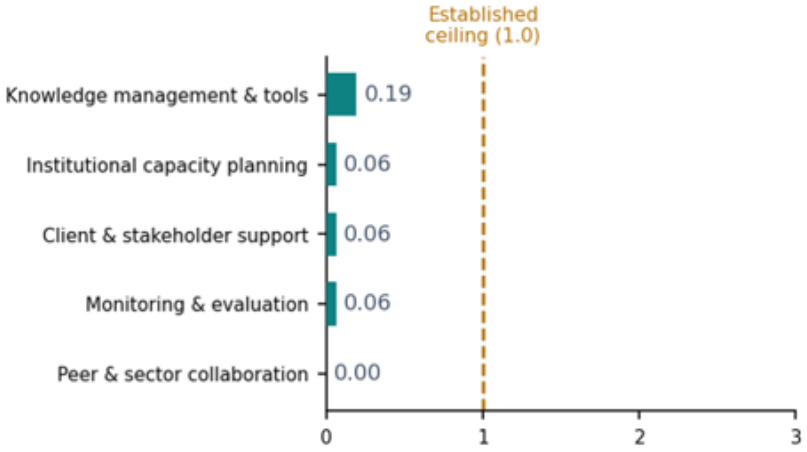


Figure 19: Thematic section breakdown within Principle 8

Table 10: Weakest and strongest questions

Weakest: 0/3	The institution participates in joint industry or sector capacity-building.
Strongest: 0.19/3	The institution maintains guidelines, manuals or toolkits for sustainable finance.

Survey thematic result analysis (capacity-building order)

- **Institutional capacity planning (0.06)** is near absent. Having a formal capacity-building strategy and dedicating a budget to it both score poorly. For almost the whole sector, developing environmental and social skills is neither planned nor funded: it is left to chance rather than organised and resourced as the institution's other commitments would require.
- **Knowledge management and tools (0.19)** is the relative high point of the Principle, which is itself telling, since even this barely clears the scale base. A few institutions maintain guidelines, manuals or toolkits to help staff apply environmental and social practices in their work. It is the one place where any supporting infrastructure exists, present in a handful of institutions and absent in the rest.
- **Peer and sector collaboration (0)** is a clean 0: no institution reports taking part in joint, industry-wide capacity-building. This is the route the guidance most encourages, learning collectively through the banking and microfinance associations and shared training, and it is precisely the one that registers nothing. The sector is not building this capability together.
- **Client and stakeholder capacity support (0.06)** is near absent. Helping clients understand and adopt sustainable practices barely registers, which follows directly from the internal gap: with almost no capability built inside the institution, there is little to extend outward, and the survey shows that institutions do not.
- **Monitoring and evaluation of capacity outcomes (0.06)** is, like the rest, near absent. Tracking who is trained and whether it changes anything, and reporting those results to management, both sit at the scale base. What little training happens is not measured, so even the few active institutions have no way of knowing whether it works.

Principle 8 key takeaways

- **The lowest Principle, and a near-empty one.** The 0.07 average score for Principle 8 makes it the weakest in the assessment. Capacity-building only exists in any meaningful sense at a single institution; one other shows a trace; and the remaining 14 report nothing at all. This is not a capability the sector does poorly so much as one it has barely begun, and what exists sits, once again, with the most developed institution.
- **The missing foundation under the other Principles.** Capacity-building is the enabling Principle: it is where staff acquire the skills to apply a policy, screen a risk, govern a process or report a result. Its near-total absence is the clearest single explanation for the pattern that runs through the whole assessment: commitments adopted on paper but not yet operational. The sector has written commitments faster than it has built the capability to deliver them, and Principle 8 is where that capability was meant to come from.
- **Not built together, and not measured.** The two sharpest gaps are collective and evaluative: no institution takes part in the sector-wide capacity-building the guidance most encourages, and almost none tracks whether its own training changes anything. Capability is neither pooled across the sector nor assessed within institutions, so the little that exists has no obvious way to compound. Of all nine Principles, this is the one whose absence most constrains the others.

Principle 9: Transparency and accountability

The Principle dedicated to transparency is itself almost invisible. What little reporting exists stays inside the institution; everything facing outward, public disclosure and sector-level reporting alike, is an absolute 0.

What it covers: Principle 9 is about whether an institution tracks and reports on its own sustainability progress, and contributes to a shared picture of the sector's progress. This includes a reporting framework, defined indicators and data systems, internal review by management, public disclosure of performance and participation in sector-level reporting. It is the Principle that makes all the others measurable and accountable.

What the score tells us: it captures whether commitments are reported against or simply made. A high score means the institution measures its progress, discloses it and feeds it into a sector view; a low score means its sustainability performance is neither published nor, in most cases, even tracked.

Figure 20 shows the scores at the institution level and a sector summary for Principle 9. Figure 21 shows the thematic section breakdown within this Principle. Table 11 shows the weakest and strongest questions within the Principle.

Sector average	Maturity tier	Rank in nine Principles	Institutions with a score of 0
0.09/3	Established (nominal)	#8	13/16

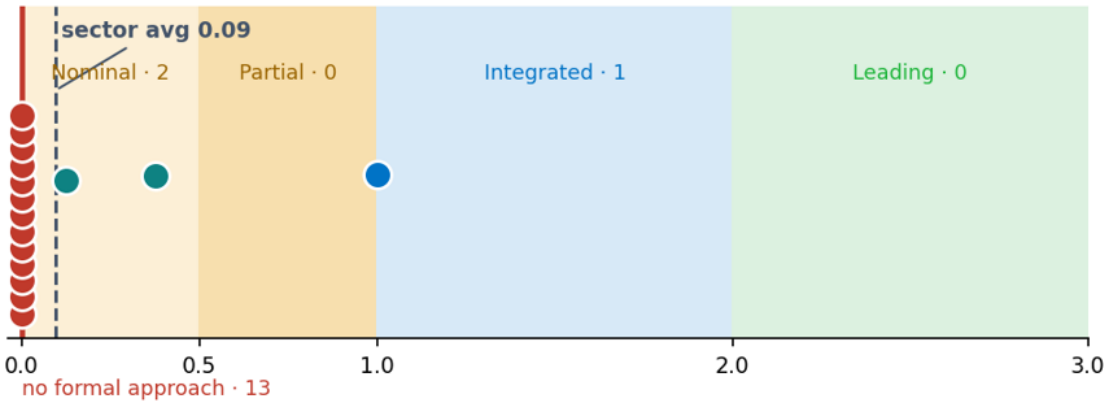


Figure 20: Institutional scores and overall sector average for Principle 9

Note: Each dot is one anonymised institution, placed on the 0–3 Principle scale. The 'established' range is divided into 'nominal' (0–0.5) and 'partial' (0.5–1).

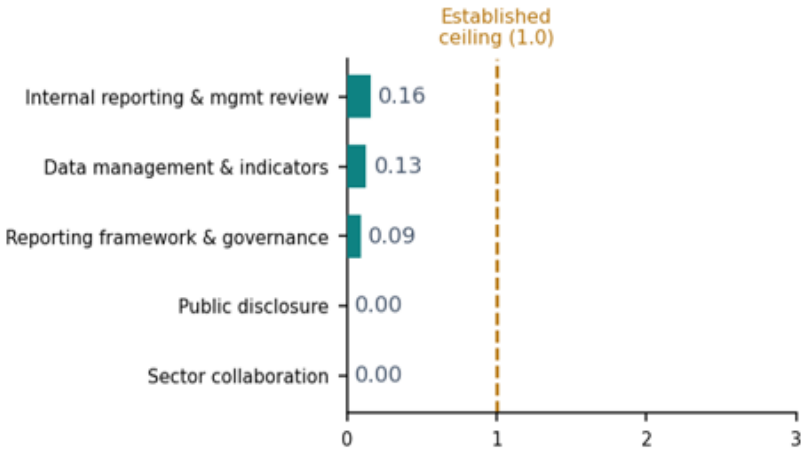


Figure 21: Thematic section breakdown within Principle 9

Table 11: Weakest and strongest questions

Weakest: 0/3	The institution publicly discloses its sustainability performance.
Strongest: 0.25/3	Management or the board receives regular updates on sustainability performance.

Survey thematic result analysis (internal-to-public order)

- **Reporting framework and governance (0.09)** is near absent. Both having a formal reporting framework and assigning responsibility for sustainability reporting sit at the scale base. For almost the whole sector, there is no structure through which progress on any Principle would be reported, so reporting has nowhere to originate.
- **Data management and indicators (0.13)** is also near the scale base. Defined sustainability indicators and the systems to collect the underlying data both score very low. The sector has largely not built the measurement that reporting would draw on, so even where the intent might exist, there is little data to report against.
- **Internal reporting and management review (0.16)** is the relative high point of the Principle, and tellingly it is the inward-facing one. Management or the board receiving occasional sustainability updates is the strongest-scoring question here, though still low. Whatever transparency the sector practices is directed inward, to its own leadership, rather than outward to anyone beyond the institution.
- **Public disclosure (0)** is a clean 0: no institution publicly discloses its sustainability performance. This is the most consistent finding of the whole assessment. Public disclosure has been the weakest element of nearly every Principle, and in the one Principle meant to deliver it, it is not merely weak but absent. No institution provides comprehensive public disclosure of its sustainability performance; the isolated exceptions are a single institution disclosing its exclusion policy and another reporting on financial inclusion.
- **Sector collaboration (0)** is the second clean 0: no institution contributes to collective or sector-level reporting. This is the mechanism the Principle most emphasises – a shared

picture of the sector's progress – and it registers nothing. There is no sector-level account of sustainable finance because, as yet, no institution feeds one.

Principle 9 key takeaways

- **The transparency Principle is itself opaque.** The 0.09 average score for Principle 9 makes it the second weakest in the assessment, and the thread that has run through every preceding Principle arrives here: transparency is the poorest score. Thirteen of the 16 institutions score 0, and the little that exists sits, as throughout, with the most developed institutions.
- **What exists faces inward; everything outward is 0.** The sector's entire transparency footprint is internal, with a few institutions giving their own boards an occasional update. The two outward-facing elements, public disclosure and contribution to sector-level reporting, are each an absolute 0. The sector does not account for its sustainability to clients, regulators, development partners or one another.
- **Without this Principle, the rest cannot be seen.** Transparency is what would make every other commitment verifiable, so its near absence means the sector's sustainability progress is, almost by definition, undocumented. It is also why a baseline such as this one matters: it is the first sector-level account of Principles the institutions have committed to but not yet reported against. The commitments are on record; so far, the progress against them is not.

Summary: Sector standing across the nine Principles

Sector standing on each Principle, in sequence from Principle 1 to Principle 9.

Principle	Sector average	Maturity tier	At 0	Key finding
1 Sustainable economic growth	0.47	Established (nominal)	3/16	Ambition is ahead of mechanism
2 Ethical conduct and exclusions	1.47	Integrated	0/16	Near universal; rests on existing compliance screening
3 Human rights	0.63	Established (partial)	0/16	Gender carries it; the human rights half is thin
4 Financial inclusion	0.99	Established (partial)	0/16	Genuinely delivered; weak only on disclosure
5 Operational sustainability	0.29	Established (nominal)	0/16	Universally minimal; social shows, environmental is absent
6 Environmental and social risk management	0.57	Established (partial)	7/16	Split sector; capability is concentrated in the leaders
7 Environmental and social governance	0.23	Established (nominal)	9/16	Governance at one institution; a role, not a system
8 Capacity-building	0.07	Established (nominal)	14/16	The missing enabler under the others
9 Transparency and accountability	0.09	Established (nominal)	13/16	Near empty; outward disclosure is a double 0

Note: Scores are institutions' self-assessments and institutions are anonymised. 'At 0' is the number of institutions scoring 0 on the Principle. Across all nine Principles, the sector averages roughly 0.5 out of 3, at the boundary between the nominal and partial tiers.

Recommended tasks

Five Principles require priority action, and the order in which they are addressed matters.

The assessment identifies five Principles where the sector's position is weakest and where action is most urgently needed. Four are the lowest-scoring Principles in the assessment: operational sustainability (Principle 5), environmental and social governance (Principle 7), capacity-building (Principle 8) and transparency and accountability (Principle 9). The fifth, environmental and social risk management (Principle 6), records a higher sector average but a materially weaker underlying position than that average suggests.

5 of 9
Principles require priority action

80%
of answers across these five scored 0

0/16
publicly disclose overall sustainability performance

Why Principle 6 is included

Principle 6's sector average of 0.57 is carried by a small number of institutions. Seven of the 16 score 0; 12 score below 1, the 'integrated' threshold; and the three strongest institutions account for more than half of all capability recorded under the Principle. The median institution scores 0.40, and removing the single highest scorer alone reduces the sector average to 0.45. The Principle describes a divided sector rather than a moderately capable one: for the majority of institutions, environmental and social risk management is as absent as the four weakest Principles, and the same foundational support is required.

The distance to be closed

Each of the five Principles sits well below 1, the 'integrated' threshold. That is the point at which a Principle leaves the 'established' band altogether and becomes embedded in operations, and it is used here as the benchmark for a capability being substantively in place rather than merely acknowledged. The tier label should not be read as reassurance. As set out in the methodology, the 'established' band covers the entire bottom third of the scale, and this report divides it into two ranges so that a low score is not mistaken for an established capability: 'nominal', from 0–0.5, where a Principle is acknowledged but barely acted on; and partial, from 0.5–1, where some elements are genuinely in place but application is uneven.

Four of the five Principles fall within the ‘nominal’ range. Capacity-building, transparency and accountability, environmental and social governance and operational sustainability are all closer to no formal approach than to the ‘integrated’ threshold. Only environmental and social risk management reaches ‘partial’, and it does so on its average alone: its median institution scores 0.40, which is itself within the ‘nominal’ range. The gap is widest where the Principles are most fundamental, with capacity-building and transparency, the two Principles that enable and verify everything else, furthest from the threshold.

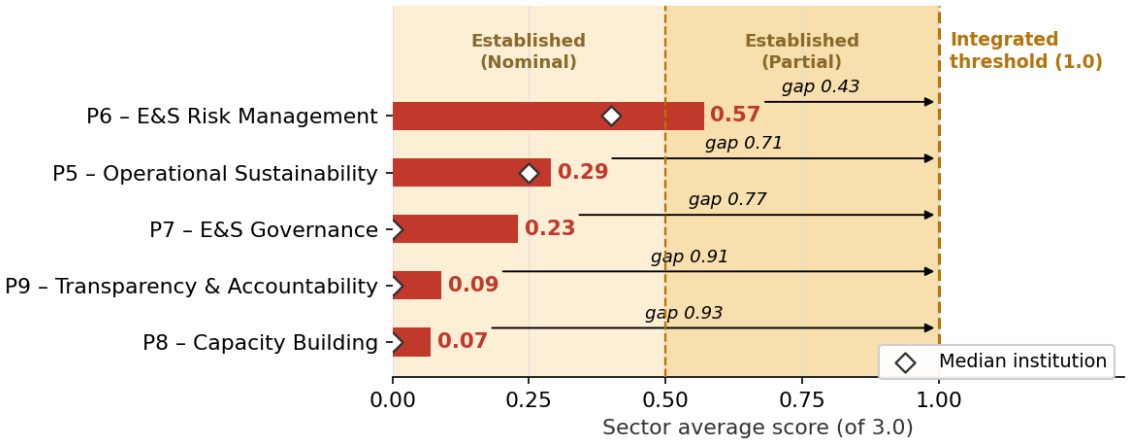


Figure 22: Distance to the ‘integrated’ threshold

Note: Bars show the sector average for each Principle; the diamond marks the median institution. Shaded bands show the ‘nominal’ (0–0.5) and ‘partial’ (0.5–1) ranges of the ‘established’ tier. Where the median sits at or near 0, at least half the sector has no formal approach at all, and the average reflects a small number of stronger institutions rather than a general level of practice.

Why the gaps persist

The five Principles fail for related reasons, and the pattern appears structural rather than incidental. The survey measures what institutions do; the structural causes below are interpretations of that pattern, drawing on the context in which the sector operates rather than on the survey alone. The sector performs where obligations already exist and does little where they do not: its strongest results, exclusion screening (Principle 2) and consumer protection (Principle 4), both rest on established regulatory compliance. The five weakest Principles share the opposite condition.

Structural cause	What the assessment indicates
Regulatory mandate not yet existing	The sector’s strongest results, exclusion screening (Principle 2) and consumer protection (Principle 4), are both areas where compliance obligations already exist, while its weakest are areas that appear to be voluntary. This pattern is consistent with the absence of a regulatory requirement to govern, resource or disclose on sustainability, though the survey itself does not test the regulatory framework.
Institutional ownership lacking	Board or senior management responsibility for environmental and social issues is defined at only two of the 16 institutions, and only one subjects its governance to audit.

Structural cause	What the assessment indicates
Resourcing constraints	Only one institution has a dedicated capacity-building budget. Commitments have been made without the staff, skills or funding to deliver them.
No shared infrastructure	Joint industry capacity-building and sector-level reporting each score 0 across all 16 institutions. No institution reports participating in collective action of either kind, which suggests that no shared reporting template or coordinated training mechanism is currently in use.
No measurement standard	Only one institution has a reporting framework and two maintain defined indicators. On this evidence, most institutions are not in a position to demonstrate progress, and the sector has no aggregate view of it.

These conditions explain the finding that recurs throughout this assessment: commitments adopted on paper but not carried into practice. The task below addresses the structural causes first, and the applied Principles second.

Building the enabling foundations

Principles 7, 8 and 9 are not business activities in themselves. They are the machinery through which every other Principle is delivered: the structure that assigns ownership (Principle 7), the skills that make delivery possible (Principle 8), and the reporting that makes progress verifiable (Principle 9). All three have a median of 0, meaning that for at least half the sector they are absent. They are addressed first because they unlock the rest: the policy-without-practice pattern documented throughout this assessment is a direct consequence of their absence.

Task 1 Establish a governance home for environmental and social issues Principle 7

The gap: board or senior management responsibility for environmental and social issues is defined at only two of the 16 institutions, and only one subjects its governance to audit. Nine institutions score 0 on the Principle. Where anything exists, it is the assignment of a role (at seven of the 16) without the structure, oversight or assurance to give it authority.

Priority actions

- Assign environmental and social oversight to an existing board committee, such as credit or risk, rather than creating a new structure.
- Define responsibilities at board, management and operational level, including part-time or shared roles.
- Bring environmental and social governance within the scope of internal audit.
- Reflect environmental and social performance in senior management objectives.

Who acts: individual institutions. The Bank of Sierra Leone can accelerate adoption by setting a supervisory expectation.

Task 2 **Launch a sector-wide capacity-building programme** Principle 8

The gap: no institution participates in joint industry or sector capacity-building; the question scores 0 across all 16. Only one institution has a dedicated capacity-building budget, and 14 of the 16 score 0 on the Principle, making it the weakest in the assessment. The participating institutions have assessed themselves against the Principles without yet building the skills needed to implement them.

Priority actions

- Coordinate sector-wide training through SLACB and SLAMFI for credit, risk and operations staff.
- Develop shared practical tools: screening guides, checklists and sector briefs.
- Allocate a dedicated budget line for sustainability capacity-building within each institution.
- Integrate sustainability into staff onboarding and annual performance reviews.
- Track who is trained and whether practice changes as a result.

Who acts: SLACB and SLAMFI, with development partner support, for the sector programme; individual institutions for budget and internal training.

Task 3 **Introduce a common reporting framework** Principle 9

The gap: no institution publicly discloses its sustainability performance, and none contributes to sector-level reporting; both questions score 0 across all 16 institutions. Only one institution has a reporting framework and only two maintain defined indicators. Thirteen of the 16 score 0 on the Principle. Institutions do not know what to report, to whom or in what format.

Priority actions

- Develop a standardised sector reporting template through SLACB and SLAMFI.
- Define a core indicator set that every institution can realistically collect.
- Begin with internal reporting to management and boards, then extend to public disclosure.
- Publish a periodic sector-level report drawing on institutional submissions.

Who acts: SLACB and SLAMFI to build the framework and the sector report; individual institutions to report against it.

Applying the Principles in practice

Principles 6 and 5 are where environmental and social management is actually carried out: outward, in what the sector finances (Principle 6), and inward, in how institutions run their own operations (Principle 5). Both show the same shape, a policy layer more developed than the practice beneath it.

They depend on the foundations above, because without trained staff, defined ownership and reporting, a policy cannot become a process.

Task 4	Operationalise environmental and social policy into the credit process	Principle 6

The gap: 8 of the 16 institutions have a formal environmental and social policy, but only four conduct due diligence on higher-risk clients, only four monitor client performance after disbursement, and only two report on environmental and social risk management. The policy layer is roughly twice as developed as the practice beneath it. Seven institutions score 0 on the Principle entirely, and capability is concentrated in a small group of institutions.

Priority actions

- Extend environmental and social screening to all new lending, not only selected transactions.
- Apply a simple risk categorisation at origination, and require due diligence for higher-risk clients.
- Introduce post-disbursement monitoring for clients in higher-risk categories.
- Report environmental and social risk exposures internally to management and the board.
- For institutions with no policy in place, adopt a basic exclusion-and-screening approach as a first step.

Who acts: individual institutions. SLACB and SLAMFI can provide a common screening toolkit through the capacity programme in Task 2.

Task 5 **Establish internal environmental and social baselines** Principle 5

The gap: only one institution monitors its carbon or greenhouse-gas emissions, and only one has set reduction targets. Five of the 16 track energy, water and paper consumption. No institution discloses progress on its own footprint, and none reaches the 'integrated' tier; the highest score in the Principle is 0.70. Without a baseline, there are no targets, no tracking and no reporting.

Priority actions

- Assign responsibility for operational environmental data to existing operations or facilities officers.
- Begin tracking energy, water and paper consumption to establish a baseline.
- Set annual reduction targets once a baseline exists.
- Integrate sustainability criteria into procurement and facilities management policies.
- Report footprint progress internally, and in time publicly.

Who acts: individual institutions.

How the five tasks fit together

The tasks are interdependent. Governance creates ownership, capacity enables implementation, and reporting makes progress verifiable; together they allow environmental and social management to be applied to what the sector finances and to how it operates. Addressing the two applied Principles without first building the three foundations would reproduce the pattern this assessment has documented throughout: commitments recorded on paper and not carried into practice.

The journey forward

A phased maturity path from the baseline to full integration.

The assessment establishes where the sector stands. It is not intended to cast critical judgement, and given this is the first time the sector has undertaken such an exercise, it is very revealing about the strong commitment and high prioritisation financial institutions are taking around this topic. The path from this starting position to full implementation is necessarily phased: the foundations set out in the 'building the enabling foundations' section must be in place before the applied Principles can be delivered at scale, and progress should be measured against the maturity tiers defined in the methodology.

TODAY	NEXT 12 TO 18 MONTHS	LONGER TERM
Where the sector is	**Building the foundations**	**Full integration**
■ **Awareness** All 16 participating institutions completed the baseline assessment, and have taken part in the baseline assessment. ■ **Baseline established** A sector-wide self-assessment is complete: gaps identified, scores benchmarked, priorities proposed.	■ **Policies** Formalise environmental and social governance structures, assign oversight roles and adopt a reporting framework. ■ **Training** Deliver a sector-wide capacity programme through SLACB and SLAMFI for credit, risk and operations staff. ■ **Pilots** Test reporting templates, begin collecting internal environmental data and run green product pilots.	■ **Governance** Environmental and social issues embedded in board oversight, management incentives and institutional strategy. ■ **Products** Green and inclusive finance products scaled across portfolios with measurable outcomes. ■ **Reporting** Regular public disclosure aligned to sector-level standards, contributing to collective accountability.
Sector average: 4.81/27 – 'little to no evidence' tier	**Indicative target: progress from 'emerging' to 'established' tier**	**Indicative target: progress from 'integrated' to 'leading' tier**

Where the sector stands today

The sector's overall score of 4.81 out of 27, or 17.8%, places it in the 'little to no evidence' tier. This is not, however, a standing start. All 16 institutions took part in the assessment against the Principles, and the exercise has produced what did not previously exist: a documented baseline, a

set of identified priorities and a common scale against which future progress can be measured. Awareness is established; implementation is not.

The next 12 to 18 months: building the foundations

The immediate period should be directed at the three enabling Principles. Governance structures should be formalised and oversight roles assigned; a sector-wide capacity programme delivered through SLACB and SLAMFI for credit, risk and operations staff would support implementation; and a common reporting framework could be developed and tested. Alongside these, institutions should begin collecting the internal environmental data needed to establish a footprint baseline, and start piloting green and inclusive products on a limited scale.

The target for this phase is movement out of 'little to no evidence' and into the 'emerging' and 'established' tiers. The scale of that step should not be understated: the 'emerging' tier begins at 20% and 'established' at 40%, so reaching 'established' would require the sector to more than double its current score. It is nonetheless a realistic ambition because the actions required are foundational rather than technically complex. Assigning an oversight role, running a training programme and adopting a reporting template are within the reach of every institution. What they require is coordination and technical support, not sophistication.

The longer term: full integration

Beyond that, the objective is integration rather than compliance. Environmental and social considerations would be embedded in board oversight, management incentives and institutional strategy; green and inclusive finance products would be scaled across portfolios with measurable outcomes; and public disclosure would be regular and aligned to sector-level standards. At that point, the sector would be able to demonstrate its progress rather than, as now, being unable to evidence it. The corresponding target is the 'integrated' and 'leading' tiers.

The baseline has been set, and the priorities are clear. What the assessment cannot do is deliver them. The next step is collective: institutions acting on the foundations within their own control, the associations coordinating what cannot be built alone, and development partners providing the technical support the sector cannot yet provide for itself.