



Equator Principles Annual Report 2025

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Introduction

The Equator Principles (EPs) constitute a globally recognised risk management and sustainability framework adopted by financial institutions to identify, assess, and manage environmental and social (E&S) risks associated with project-related financing activities. They are designed to support responsible decision-making in project-related lending and financial products and ensure that financed projects are developed in line with internationally accepted standards on environmental protection, social responsibility, human rights, and climate considerations.

Since their inception in 2003, the Equator Principles have been developed as a voluntary initiative based on the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability, as well as the World Bank Group Environmental, Health and Safety (EHS) Guidelines. Over time, the framework has evolved through successive updates in 2006 (EP II), 2013 (EP III), and most recently EP4, adopted on 18 November 2019 and effective as of 1 October 2020.

The EP4 update significantly strengthened the framework through enhanced requirements in key areas, notably:

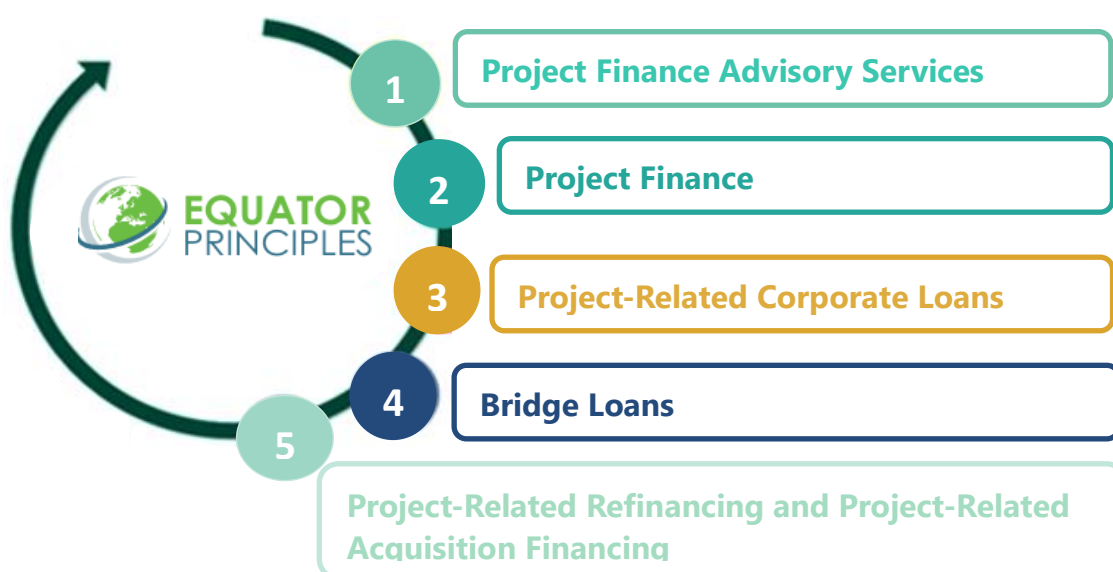
- expansion of scope and applicability across broader financing structures;
- alignment of applicable standards between Designated and Non-Designated Countries;
- reinforcement of human rights due diligence and social risk considerations; and
- integration of climate change risk assessment within project evaluation processes.



Scope of application

Under EP4, the scope of application has been expanded to include Project-Related Refinancing and Project-Related Acquisition Financing, subject to the following conditions:

- The underlying project was originally financed under the Equator Principles framework;
- No material change has occurred in the scale, scope, or nature of the project; and
- The project has not yet reached completion at the time of financial agreement signing.





General Presentation & Bank's Commitment

Equator Principles Global Framework

As of June 2026, 126 financial institutions worldwide are Equator Principles Signatories, representing a significant share of global project finance activity across both developed and emerging markets.

Equator Principles Signatories are structured into the following categories:

- Full Signatories and Probationary Signatories, collectively referred to as Equator Principles Financial Institutions (EPFIs), which actively originate or manage in-scope financial products and are subject to full reporting obligations; and
- Affiliate Signatories, which do not currently originate in-scope transactions and are therefore exempt from reporting requirements. At present, no Affiliate Signatories are active.

BANK OF AFRICA's Commitment

BANK OF AFRICA has been a Signatory to the Equator Principles since 2010, reflecting its long-term strategic commitment to sustainable finance, responsible investment, and the integration of environmental and social risk considerations into its credit decision-making processes.

Further information is available on the official Equator Principles website:
<https://equator-principles.com/>

Reporting Period and Compliance

This report provides a comprehensive overview of BANK OF AFRICA's Equator Principles implementation and activities for the financial year 2025, covering the period from 1 January to 31 December 2025. Disclosures included herein are prepared in accordance with Principle 10 of the Equator Principles, which requires annual public reporting on transactions that have reached Financial Close, as well as on the institution's implementation approach, governance arrangements, and operational experience.



Implementation of the Equator Principles by BANK OF AFRICA

BANK OF AFRICA became the first and only Moroccan bank in the Maghreb region to adopt the Equator Principles in May 2010, marking a key milestone in the Group's sustainability journey and reinforcing its role as a pioneer in responsible banking practices within the region.

Since adoption, the Bank has progressively strengthened its internal Environmental and Social (E&S) governance framework, integrating internationally recognised standards into its financing operations and decision-making processes. This includes the development of internal policy, methodologies and tools dedicated to the identification, assessment, mitigation, and ongoing monitoring of environmental and social risks associated with financed projects.

The Equator Principles are embedded within the Bank's Environmental and Social Risk Management system, which involves tailored assessments for specific project finance transactions. This system is supported by formalised procedures and internal training and awareness mechanisms.

Within BANK OF AFRICA, the implementation of the Equator Principles is led by the E&S Risks Team, located within the Analysis of Commitments Division under the Group Risks Department. This specialised team plays a pivotal role in ensuring consistent application of E&S standards and is responsible for:

- Identifying transactions within the scope of the Equator Principles framework
- Performing initial screening and E&S categorisation of projects (Category A, B, or C)
- Collecting, reviewing, and validating environmental and social documentation
- Conducting site visits for high and medium risk projects where required
- Carrying out Environmental and Social Due Diligence (ESDD) in line with IFC Performance Standards, World Bank EHS Guidelines, and Equator Principles requirements
- Preparing structured E&S risk conclusions, recommendations, and corrective action plans for clients via the Project & Investment Financing Platform (PIIF)

- Supporting the Platform Project and investment financing to Monitor of Equator Principles action plan.

The governance of Environmental and Social risk is further reinforced by the Economic Intelligence & Sustainability Direction and the E&S Risks Team, which report respectively to the Group Governance & Development Department and the Group Risks Department. Together, these entities ensure oversight, consistency, and continuous improvement of E&S risk management practices across the Group.

Environmental and Social Risk Process

BANK OF AFRICA applies a **structured, multi-step Environmental and Social risk management process integrated into the credit lifecycle** to ensure full alignment with Equator Principles requirements.

1. Project screening and documentation request

The Project & Investment Financing Platform (PIIF) initiates the process by requesting the Environmental and Social Impact Assessment (ESIA), along with all relevant technical, environmental, and social documentation required to perform a comprehensive E&S review.

2. Environmental and Social Due Diligence (ESDD)

The E&S Risks Team performs a detailed assessment of submitted documentation, including analysis of the ESIA and applicable regulatory requirements. The due diligence is conducted in accordance with IFC Performance Standards and Equator Principles requirements. This step may include site visits for Category A and selected Category B projects.

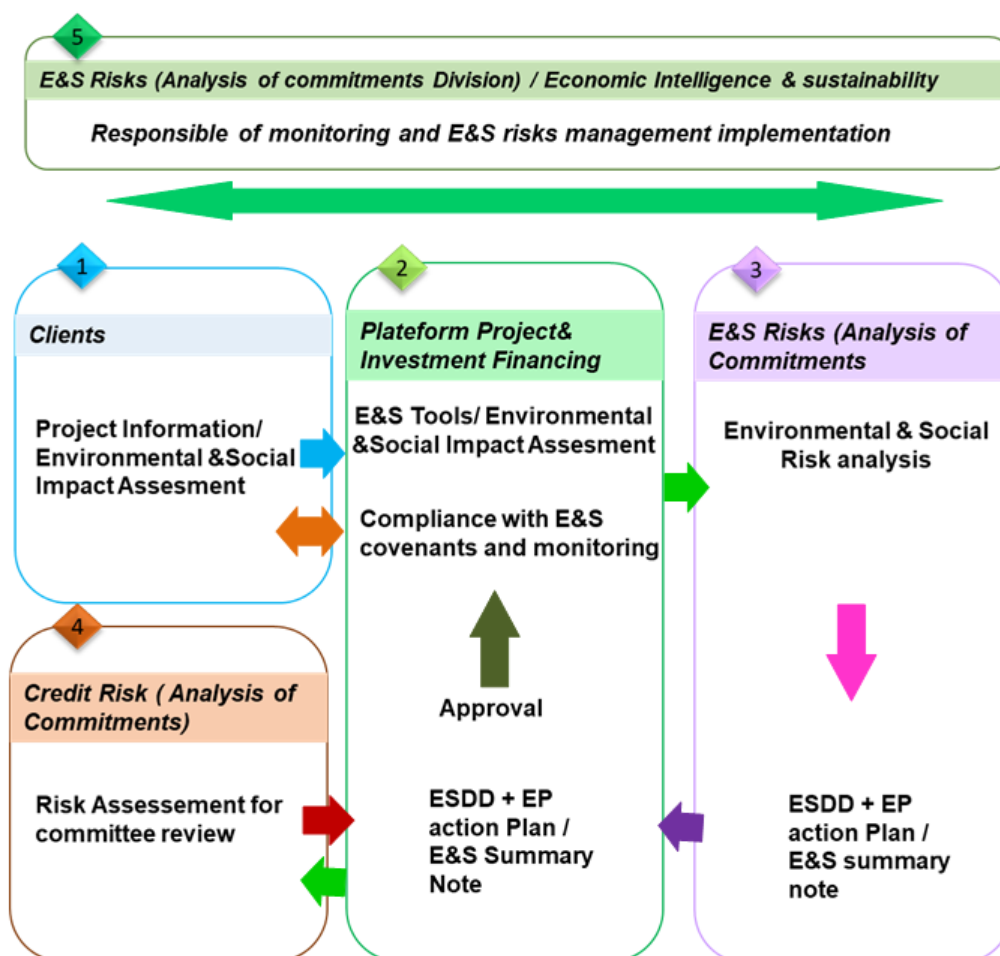
3. E&S assessment output and credit review

Following completion of the ESDD, the E&S Risks Team prepares a structured Environmental and Social summary note, including identified gaps, mitigation measures, and an action plan. This documentation is submitted to the PIIF, and integrated into the credit file for formal review and decision-making.

4. Implementation and monitoring

Upon approval, the PIIF communicates the Environmental and Social Action Plan to the client and ensures ongoing monitoring of compliance, with support from the E&S Risks Team throughout the life of the transaction.

The following flow-chart summarises BANK OF AFRICA's organisational structure for managing environmental and social risks:



It should be noted that among the various Specialized Committees in charge of overseeing the execution of the Group's strategic and operational orientations, the Environmental, Social and Sustainability (ESS) Committee aims to bolster CSR governance within the Group, thereby ensuring that sustainability is fully embedded within its organisational structure. Its main responsibilities consist of:

- Monitoring implementation of the Environmental, Social and Gender action plan across the Group
- Ensuring that ES risk management practices within the Group are effective
- Developing and supervising Impact Finance performance indicators
- Supervising global commitments in term of sustainable development and CSR.

Internal Awareness and Support

BANK OF AFRICA provides continuous internal awareness and ongoing support regarding the Equator Principles and environmental and social risk management. All related operational procedures, technical guidelines, reference materials, and implementation toolkits aligned with Good International Industry Practice (GIIP) are permanently available and accessible internally to relevant staff. To ensure ongoing guidance, the Bank regularly distributes regulatory updates, strengthening staff understanding of E&S requirements and ensuring consistent application across all relevant business lines.

The top right of the page features a large, light blue circular graphic. Inside this circle is a white outline of the African continent, which is further enclosed by two concentric white circles. The background of the entire page is a light blue wash with faint, abstract geometric patterns and shapes.

FY25 Transaction Data & Disclosures

During the financial year 2025, BANK OF AFRICA recorded 15 transactions reaching Financial Close under the Equator Principles framework, comprising both Project Finance and Project-Related Corporate Loan operations. These transactions were geographically concentrated in Morocco and Senegal, and covered Categories A, B, and C, reflecting varying levels of environmental and social risk exposure.

Transactions under category A and B were assessed in accordance with:

- IFC Performance Standards
- World Bank Group Environmental, Health and Safety (EHS) Guidelines
- Applicable national environmental and social legislation, and
- the Equator Principles framework (EP1–EP10)

The table below summarises Equator Principles activity, providing breakdowns by category, sector, geography, country designation, and independent review status.

Table 1: Breakdown of Equator Principles Projects Closed in FY25.

Appraisal of transactions	Project Finance				Project-Related Corporate Loans			
	Total	A	B	C	Total	A	B	C
Category¹								
	13	3	10	.	2	-	1	1
Sector								
Mining	1	1	-	-	-	-	-	-
Infrastructure	3	1	2	-	1	-	1	-
Oil & Gas	-	-	-	-	-	-	-	-
Power	1	1	-	-	-	-	-	-
Others	8	-	8	-	1	-	1	-
Region								
Americas	-	-	-	-	-	-	-	-
Europe, Middle East and Africa	13	3	10	-	2	-	1	1
Asia Pacific	-	-	-	-	-	-	-	-
Country designation²								
Designated countries	-	-	-	-	-	-	-	-
Non-designated countries	13	3	10	-	2	-	1	1
Independent Review³								
Yes	3	3	-	-	-	-	-	-
No	10	-	10	-	2	-	1	1
By project name reporting⁴								
	5	2	2	1	1	-	1	-

1. **Category A (High risk):** Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented; **category B (Medium risk):** Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, largely reversible and readily addressed through mitigation measures; **category C (Low risk):** Services company projects with minimal or no adverse environmental and social risks and/or impacts
2. **Country Designation** is defined to include countries that are known as "high income OECD Countries". Projects in designated countries are screened according to country laws and regulations. Projects in "non-designated" countries are assessed according to local laws, the IFC Performance Standards, the World Bank EHS Guidelines and the 10 Equator principles.
3. **Independent Review** is a review of the Assessment Documentation including the Environmental and Social Management Plans, Environmental and Social Management System and Stakeholder Engagement process documentation carried out by an Independent Environmental and Social Consultant.
4. **Project Name Reporting** indicates the number of clients who have agreed that high-level project details can be disclosed on the Equator Principles website.



Independent Review **& Equator Principles Statement**



Independent External Organisations and E&S Risk Framework

As part of its Integrated Management System (IMS), BANK OF AFRICA has established a Green & Sustainable Finance Working Group within the Environmental Performance Improvement structure, responsible for supporting the identification, assessment, and monitoring of indirect environmental and social impacts associated with financed activities.

To strengthen its Environmental and Social Management System (ESMS), the Bank also relies on recognised independent external organisations to support selected assessment, verification, certification, and continuous improvement activities related to sustainability and environmental and social risk management practices.

Among these organisations:

- Bureau Veritas is a global leader in Testing, Inspection and Certification (TIC) services, supporting organisations in the areas of quality, health & safety, environmental protection, and sustainability. Through its international expertise and assurance services, Bureau Veritas contributes to strengthening environmental and social governance frameworks and management systems.
- IMANOR is the Moroccan national standardisation body responsible for the development and promotion of national standards across multiple sectors. Through its standardisation, certification, and quality infrastructure activities, IMANOR contributes to the alignment of Moroccan practices with internationally recognised standards and supports continuous improvement initiatives.

Independent Review Summary Statement – Equator Principles – 2025 Reporting Year

This statement summarises the Independent Review (IR) relating to the implementation of the Equator Principles (EP) within BANK OF AFRICA for the 2025 reporting year. The review has been conducted with reference to the Equator Principles Association's Guidance Note on Independent Review and aims to assess the extent to which the Equator Principles framework is integrated into the Bank's Environmental and Social Management System (ESMS).

Scope of the Review

The review covered the integration and operational implementation of the Equator Principles within the Bank's Environmental and Social Management System (ESMS) framework, including:

- Governance arrangements relating to Environmental and Social risk management
- Integration of EP requirements within internal procedures and risk assessment processes
- Environmental and social screening, categorisation, due diligence, and monitoring practices for relevant transactions;
- EP-related indicators integrated within the ESMS framework, itself embedded within the Bank's Integrated Management System (IMS) and monitored through the Green & Sustainable Finance governance structure, and
- Application of Equator Principles requirements to transactions reaching Financial Close during the reporting period.

Basis of the Review

The Bank's Integrated Management System (IMS) is subject to periodic independent third-party assessment as part of the Bank's broader governance and continuous improvement framework. The Environmental and Social Management System (ESMS) operates as an integral component of this IMS. Within this structure, the Equator Principles are implemented through the ESMS rather than as a standalone framework, ensuring that EP requirements are fully embedded within existing governance arrangements, procedures, controls, and due diligence processes applicable to relevant financing activities.

Key Observations

The review identified the following key elements:

- The Equator Principles are formally integrated within the Bank's Environmental and Social risk management policy
- EP requirements are operationalised through documented screening, categorisation, due diligence, and monitoring procedures
- EP-related indicators are integrated within the broader ESMS and IMS reporting framework; and
- The independent assessment of the IMS provides assurance regarding the overall effectiveness of the Bank's Environmental and Social risk management processes, including the implementation of the Equator Principles framework.

Conclusion

Based on the review performed and considering the integration of the Equator Principles within the Bank's Environmental and Social Management System, BANK OF AFRICA considers that the implementation of the Equator Principles is appropriately embedded within its existing risk management framework.

The Bank remains committed to the continuous strengthening of its Environmental and Social risk management practices and may further enhance the scope of independent assurance relating specifically to Equator Principles implementation in future reporting cycles, in line with evolving Equator Principles guidance.