



PRINCIPLES FOR
RESPONSIBLE
BANKING

Reporting and Self-Assessment Template

The following table sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking. Signatory banks need to report on their implementation of the Principles the first time within latest 18 months after signing and annually thereafter (in line with their annual reporting cycle).

How to use this template?

This template does NOT require your bank to produce an additional report. Rather, this template is designed for your bank to provide references/links to where in your existing reporting/public domains the required information can be found. The aim is to keep additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6.

Within this reporting template, six areas for self-assessment are key to showing that your bank is fulfilling its commitments as a signatory of the Principles for Responsible Banking. They are highlighted.

1. Impact Analysis
2. Target Setting
3. Plans for Target Implementation and Monitoring
4. Progress on Implementing Targets
5. Governance Structure for Implementation of the Principles
6. Progress on Implementing the Principles for Responsible Banking

Only for these six highlighted items, it is required that:

- a) An assurer provides limited assurance of your self-assessment. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted.
- b) You provide your bank's conclusion/statement if it has fulfilled the respective requirements.

Accommodating different starting points:

Banks have different starting points and operate in different contexts. Your bank may not be able to provide all information required in this template the first time you report. That is fine. Your bank has up to four years from signing to bring its reporting fully in line with the requirements. Feedback, support and peer learning are available to all signatory banks to help them progress with both implementation and reporting.



PRINCIPLES FOR RESPONSIBLE BANKING

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Diners Club del Ecuador is a bank whose main activity is the emission of credit cards, the main one is Diners Club, we also work with the Discover brand, from approximately 5 years the Visa franchise and this year the agreement has been confirmed with Master Card. We have a total of 1'108,531 cardholders, of which 24,332 are clients with corporate accounts, that is, business accounts. We also have 36,817 clients who maintain investment products with us. We have national coverage</p> <p>In order to generate a sustainable management model, we have defined some guidelines in the strategy; one of them is the creation of the sustainability committee.</p> <p>We have a line of action through which we measure our environmental footprint every year. To mitigate this impact, we have developed some activities, mainly with our collaborators, which have to do with proper waste management, reduction of personal footprint, alternative mobility, which we plan to</p>	<p>Sustainability Report</p> <p>https://www.dinersclub.com.ec/portal/institucional/responsabilidad-social-corporativa</p>

	<p>replicate with our clients for this coming year.</p>	
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Based on the materiality study we do every 2 years, the main expectations with our stakeholders have been determined and aligned with the Core of the organization, identifying for this, a framework of action related to the ODS's. Once, these aspects were identified, we make a planning with our partners to link the programming with this framework. We have four programmatic guidelines; Education, Tourism Development, Financial Education and Art and Culture development. For example, in the case of the Education program, we have an alliance with Unicef, they have a framework of action with the National Government and with the UN headquarters, in this way we make sure that the activities we develop are in national and global objectives.</p>	<p>Sustainability Report</p> <p>https://www.dinersclub.com.ec/portal/institucional/responsabilidad-social-corporativa</p>
<p>Principle 2: Impact and Target Setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>		

<p>2.1 Impact Analysis: <i>Show</i> that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <ul style="list-style-type: none"> a) <u>Scope</u>: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. Have been considered in the scope of the analysis. b) <u>Scale of Exposure</u>: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. c) <u>Context & Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. d) <u>Scale and intensity/salience of impact</u>: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. <p>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p><i>Show</i> that building on this analysis, the bank has</p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<ul style="list-style-type: none"> a) We have identified the impact of our operations, for these, we have identified our products and made the analysis for all of them b) Based on the impact tool exercise, we have identified the main industries in which we have our activities, being the main industries: high education, food and beverage service activities and central banking. c) With the information from the impact tool used, we have identified the main sustainable development challenges in our country; the main ones are inclusive, healthy economies and waste. d) We have analysed the results of the impact tool with the results of the materiality study to validate the information and linked them with the general sustainability plan. 	<p>Portfolio Impact Tool</p> <p>Attached to this report</p>
<p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		

Given the particularity of our operations, we have identified the areas of impact: this exercise serves to complement the sustainability strategy that we maintain since it presents some important elements, especially in terms of the analysis of the industry in which our operation is related.

<p>2.2 Target Setting</p> <p><i>Show</i> that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</p> <p><i>Show</i> that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p><i>Show</i> that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>Based on the impact study, for the moment, 2 institutional objectives have been defined and they are aligned with the SDGs and the Paris agreement</p> <ul style="list-style-type: none"> • Inclusive, healthy economies • waste <p>Through our Financial Education program we have defined the following goals:</p> <p>To Include 77.169 people from different stakeholders; Clients, Employees and Community from the cities we have our operations.</p> <p>Reduce the printing level in 8’982,000 sheets in the document digital project until December 2022</p>	<p>Sustainability Report</p> <p>https://www.dinersclub.com.ec/portal/institucional/responsabilidad-social-corporativa</p> <p>Cold & Digitalization project</p> <p>Attached to this report</p>
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Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Target Setting.

We have get the goals established in the plan

<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</i></p>	<p>Objective 1 The Financial Education program has a defined plan; this plan contains the responsibilities and compliance times. Every month we monitor the plan to verify compliance.</p> <p>Also, through reports and OKR's organization system</p> <p>Objective 2 Through the commitment established with the Ecuador Ministry of the Environment since we are applying the recognition Punto Verde.</p>	<p>Sustainability Report</p> <p>https://www.dinersclub.com.ec/portal/institucional/responsabilidad-social-corporativa</p> <p>Cold & Digitalization project</p> <p>Attached to this report</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		
<p>Through the monitoring process, we have been able to verify compliance with the objectives.</p>		
<p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p><i>Show that your bank has implemented the actions it had previously defined to meet the set target.</i></p> <p><i>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</i></p> <p><i>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</i></p>	<p>Objective 1 We have identified 3 groups that we work with; clients, community and employees. For each of these groups we have a plan and in some cases partner organizations to implement the actions. With the organizations, we have regular meetings to verify the progress of the activities.</p> <p>Objective 2 From the technology area, some processes have been evidenced, 20 specifically in which the sheet printing system has been changed for the digital management of information, each user has access to the information of reports from their computer and in this way Avoid</p>	<p>Sustainability Report</p> <p>https://www.dinersclub.com.ec/portal/institucional/responsabilidad-social-corporativa</p> <p>Cold & Digitalization project</p> <p>Attached to this report</p>

	<p>printing. The users, before this digital Project, printed the reports. The technology area make a daily record of this System with the intention of monitoring the impact of this Project.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>		
<p>The planned activities have been fulfilled</p>		
<p>Principle 3: Clients and Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1 <i>Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</i></p>	<p>We have some activities focused on safely managing our clients' information; our processes follow the guidelines of the PCI standard for information security.</p> <p>Complementary, we maintain a financial education program, we have created communication material, videos, emails and the www.financialeducation.ec Website with the aim of sharing methodologies and messages with our clients for the proper management of their personal and family finances and this way avoid problems such as over-indebtedness. As a result of this, in 2020 we had a direct reach of 49.517 of our clients, however we have information published on our website and videos on social networks permanently that had a reach of 1 million people.</p>	<p>Sustainability Report</p> <p>https://www.dinersclub.com.ec/portal/institucional/responsabilidad-social-corporativa</p>

<p>3.2 <i>Describe</i> how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>In our financial education program, we promote an entrepreneurship project, for this, we have a permanent training process and each year we develop a recognition called Reto Digital to specifically promote entrepreneurship in Ecommerce. The winners of this process obtain benefits such as; diffusion in our communication channels, we support them so that they can commercialize through our digital payment systems and we advise them with specialists so that they can establish an optimal digital marketing strategy.</p>	
<p>Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>		
<p>4.1 <i>Describe</i> which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>Every biannual we made a dialogue exercise with our stakeholders, based on the AA 1.000 aligned with the GRI methodology for the preparation of our annual sustainability report. In this report, we publish the results of the dialogues and based on the GRI methodology we establish the material aspects to which we respond in the report.</p>	<p>Sustainability Report https://www.dinersclub.com.ec/portal/institucional/responsabilidad-social-corporativa</p>
<p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>		
<p>5.1 <i>Describe</i> the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>The guide for management of impacts in terms of sustainability has been our Code of Ethics in which we refer how to manage relationships with our different</p>	<p>Reglamento del Comité de sustentabilidad Attached to this report</p>

	<p>stakeholders, as well as the instances in terms of governance for correct decision-making.</p> <p>Since 2019, the Sustainability is involved with making decisions and defining plans and actions to manage impacts on the organization.</p>	
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>In the Human Talent Development processes, some actions have been taken into account in order of involving employees in plans for their development. The performance management plan, for example, proposes the structure of indicators that indicate compliance with the plans and performance of the collaborator and their contribution to the organization, based on the results, an evaluation of their performance is defined, the same as It is done in a participative way between collaborators and supervision's lines.</p>	<p>Sustainability Report</p> <p>https://www.dinersclub.com.ec/portal/institucional/responsabilidad-social-corporativa</p>
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> a) target-setting and actions to achieve targets set b) Remedial action in the event of targets, milestones not being achieved, or unexpected negative impacts being detected. 	<p>We have a Sustainability Committee that is integrated by people from different areas and whose objective is to support compliance with the plan established around the PRBs.</p> <ul style="list-style-type: none"> a) For this, an activity plan has been defined, which is assigned responsible for the fulfilment of these activities. 	<p>Reglamento del Comité de sustentabilidad</p> <p>Attached to this report</p>



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	<p>b) The committee analyses the progress of activities and in the event of any negative impact, establishes corrective measures to handle it properly</p>	
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Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

The planned activities have been fulfilled

Principle 6: Transparency & Accountability

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

<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p><i>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</i></p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</i></p>	<p>According to the progress matrix attached to this report, it has been possible to advance by 90% in the implementation of the plan.</p>	<p>Matriz de avance</p> <p>Attached to this report</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking



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The planned activities have been fulfilled

Annex: Definitions

- a. **Impact:** An impact is commonly understood as being a change in outcome for a stakeholder. In the context of these Principles this means (aligned with GRI definition) the effect a bank has on people/the society, the economy and the environment and with that on sustainable development. Impacts may be positive or negative, direct or indirect, actual or potential, intended or unintended, short-term or long-term.
- b. **Significant Impact:** Impact that in terms of scale and/or intensity/salience results in a particularly strong/relevant change in outcome for a stakeholder. In the context of these Principles, the concept of *significant* impact is used to ensure banks focus where their actions/business (can) matter most for people, economy and environment and to provide a reasonable and practical threshold for what issues need to be considered/included, similar to the concept of “materiality”.