

# African Development Bank

ISIN CODE: XS0043037505

**Overall score 63/100**

## Sector: Development Banks

Companies in sector panel: 10

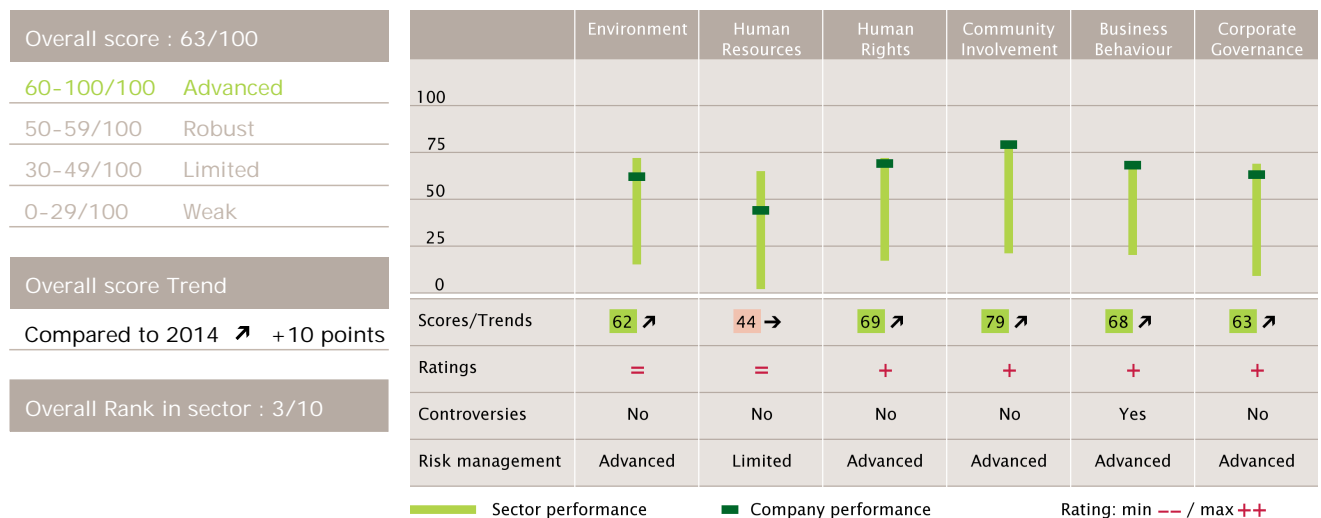
Information rate: 81% (Sector average: 67%)  
Company cooperation level: Proactive \*

## General information

The African Development Bank (AfDB) is a multilateral development finance institution established to contribute to the economic development and social progress of African countries. The primary function of AfDB is making loans and equity investments for the socio-economic advancement of the RMC (regional member countries). Second, the bank provides technical assistance for development projects and programs. Third, it promotes investment of public and private capital for development. Fourth, the bank assists in organizing the development policies of RMCs. The Bank Group has 80 member countries, comprising 54 regional member countries (RMC) and 26 non-regional member countries (NRMC). Of note, AfDB's reporting currency is the SDR (Special Drawing Right) and Vigeo has converted data on euro using the following exchange rate: 1SDR/UA = 1.24 EUR.

Main Economic Segment**	Turnover 2015
Infrastructure	48.6 %
Finance	21.3 %
Multi-sector	12.5 %

## Overall CSR performance & trends



- AfDB's overall CSR performance is considered advanced in absolute terms (63/100) and it has significantly increased since last review (July 2014).
- AfDB displays an homogeneous approach to the management of its ESG impacts, achieving an advanced performance in all the three pillars. As for the Governance pillar, ESG issues appear to be integrated in the governance strategy with material ESG issues discussed at board meetings and the related risks covered by internal controls. The institution Environmental strategy addresses the material issues related to its business operations, and environmental and climate safeguards are implemented. As regards the Social pillar, AfDB discloses extensive measures to foster consultation of Stakeholders in its projects and thematic policies, in addition tools have been set up to monitor the achievement of its development goals in its member countries.
- AfDB faced an allegation in the period under review about the functioning of its complaints mechanism for which it reports corrective measures.

**Company inclusion in Vigeo Indices\*\*\* : NO**

\* On a 4-level scale: proactive, responsive, partially responsive, not responsive  
 \*\* See detailed economic indicators in Selected financial data section  
 \*\*\* Based on the most recent Index at the date of publication

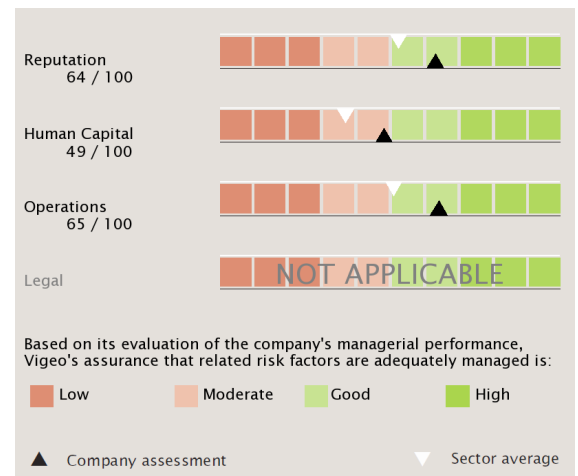
## Management of Risks and Opportunities

		Weaknesses		Strengths	
Weight of the Sustainability drivers	3		<ul style="list-style-type: none"> <li>Health &amp; safety</li> </ul>		<ul style="list-style-type: none"> <li>Social and economic development</li> <li>Fundamental human rights</li> <li>Corruption and money laundering</li> <li>Internal controls &amp; risk management</li> <li>Climate change: indirect impacts</li> <li>Stakeholders relations                             <ul style="list-style-type: none"> <li>Environmentally responsible financing</li> </ul> </li> </ul>
	2			<ul style="list-style-type: none"> <li>Non-discrimination and diversity</li> <li>Environmental strategy</li> <li>Career management</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors</li> </ul>
	1		<ul style="list-style-type: none"> <li>Executive Remuneration</li> </ul>		
		<b>Weak</b> 0 to 29 points	<b>Limited</b> 30 to 49 points	<b>Robust</b> 50 to 59 points	<b>Advanced</b> 60 to 100 points

- Multilateral Development Banks represent the interest of their Member States, and have a duty of accountability to the public in their policy-programme formulation and decision making. To achieve this goal they must **promote public participation, equitable and fair access to information**. AfDB appears to address its responsibilities in this regard and has deployed extensive means, including dedicated communication channels to promote Civil Society Organisations' consultation and participation in its policies and projects. However, the institution faced some concerns about the functioning of its independent complaints mechanism in January 2016, but developed corrective measures in this regard including initiatives to democratize the access to its grievance mechanism.

- Tax dodging is an area of risk for Development Institutions. As evidenced by the recent Panama Papers case scandal, there is an increasing attention on tax issues by regulators, NGOs and media. Multilateral Development Banks, on behalf of their core mission to foster general interest and societal progress are expected to ensure that beneficiaries of their financing respect **responsible taxation practices** and contribute to local development. AfDB does not currently display a formalised policy to address the issue of non-compliant/uncooperative jurisdictions (NCJs), but it has allocated some measures to implement a responsible tax strategy including enhanced due diligence to identify beneficial ownership, and "relocation requirements" if beneficiary operates in NCJs.

- By adopting the Paris Agreement during the Paris climate conference (COP21) in December 2015, 195 countries have committed to implement national **climate action plans** to limit the increase in global average temperature to well below 2°C above pre-industrial levels. In this context, Multilateral Development Banks should assist and support adequately their member countries in the achievement of their objectives. AfDB appears to be aware of its responsibility, and reports that it is currently working to support African countries in the implementation of their Nationally Determined Contributions agreed under the 2015 Paris Agreement. Therefore, it has started to prepare country climate profiles for specific African countries, with a focus on the development of adaptation programs for Least Developed Countries.



\* We consider legal security as an element of a company's tangible or intangible assets. We define legal risk as the potential impact - negative or positive - on these assets, considering the management of CSR issues possibly involving the company's legal responsibility. Under no circumstances should our opinion be construed as a due diligence or an assurance in the meaning of regulations such as, for instance, the Sarbanes-Oxley Act in the USA or the Loi de Sécurité Financière in France

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## Company performance in all the Sustainability Drivers

Weight of the Sustainability driver		Overall score 63/100		Trend	Score
		<b>Environment</b>		↗	<b>62</b>
ENV1.1	2	Environmental strategy		↗	56
ENV1.3	3	Environmentally responsible financing		→	61
ENV2.2	3	Climate change: indirect impacts		↘	67
		<b>Human resources</b>		→	<b>44</b>
HRS2.4	2	Career management		→	53
HRS3.2	3	Health & safety		↗	38
		<b>Human rights</b>		↗	<b>69</b>
HRT1.1	3	Fundamental human rights		↗	77
HRT2.4	2	Non-discrimination and diversity		→	57
		<b>Community involvement</b>		↗	<b>79</b>
CIN1.1	3	Social and economic development		↗	79
		<b>Business behaviour (c&amp;s)</b>		↗	<b>68</b>
C&S1.3	3	Stakeholders relations		→	63
C&S3.1	3	Corruption and money laundering		↗	73
		<b>Corporate governance</b>		↗	<b>63</b>
CGV1.1	2	Board of Directors		↗	62
CGV2.1	3	Internal controls & risk management		→	71
CGV3.1	2	Shareholders			N/R
CGV4.1	1	Executive Remuneration		↘	38

**Weak** (0-29/100)
  **Limited** (30-49/100)
  **Robust** (50-59/100)
  **Advanced** (60-100/100)

⚡ **Involvement in allegations**
⚡ **Involvement in allegations with evidence of corrective measures**

N/R means that this Sustainability Driver is not analysed for this Company

## Selected financial data

Key data	Approved operations	EBIT	Employees
2015	EUR 7.85bn	EUR 115m	1,841
2014	EUR 6.26bn	EUR 188m	1,950
2013	EUR 5.44bn	EUR 224m	2,086
2012	EUR 5.27bn	EUR 243m	2005
2011	EUR 7.09bn	EUR 204m	1902

Main shareholders	2015
Nigeria	8.9 %
United States	6.6 %
Japan	5.5 %
Egypt	5.4 %
South Africa	4.9 %

Geographical breakdown	Loan and Grant Approvals 2015	Employees 2015
Africa	N/A	99.7 %
Japan	N/A	0.3 %

All Economic Segments	Turnover 2015
Infrastructure	48.6 %
Finance	21.3 %
Multi-sector	12.5 %
Social	9.4 %
Agriculture and Rural Development	8.1 %

## Selected ESG Indicators

	2015
Non-executive Board member(s) responsible for CSR issues	No
Executive remuneration linked to CSR performance	No
Percentage of women on Board	15
Percentage of women in Executive team	30
Percentage of women in workforce	36.6
3 year trend for safety at work	è
Involvement in armament	No

## General Overview

Position versus sector peers Europe	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance	Overall score
XS0043037505 African Development Bank	=	=	+	+	+	+	63
XS1050832465 Asian Development Bank	+	=	=	+	+	=	61
XS1072571364 Corp. Andina de Fomento	=	-	-	-	-	-	30
XS0524597613 Council of Europe Development Bank	=	+	=	+	=	=	54
RU000A0JQH85 EURASIAN DEVELOPMENT BANK	-	-	-	-	-	--	21
XS0074043448 Eurofima	--	-	--	--	--	=	18
XS1056570721 European Bank for Reconstruction and Development	+	=	+	=	+	+	62
XS0317352200 European Investment Bank (EIB)	+	+	+	=	+	+	69
XS0429114530 IBRD	+	+	+	=	+	+	66
XS1064695981 Inter-American Development Bank	+	=	=	+	=	=	58

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## Contacts

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