

CAB | PAYMENTS

B Corp Impact Report 2023

May 2024

Certified



Corporation

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Introduction

We are proud to announce our inaugural impact report, a landmark in our journey as a newly B Corp certified institution post-listing on the London Stock Exchange. 2023 has been pivotal for CAB Payments Holdings PLC (CAB Payments). A standout achievement was attaining the B Corp Certification, underscoring our commitment to meeting rigorous standards of transparency, accountability, social standards and environmental performance. This is a significant stride that sets us apart in the banking sector.

As a B Corp, we commit to not only sustaining but enhancing our global financial networks through responsible and ethical practices. This certification bolsters our reputation, fortifies trust among shareholders, and deepens relationships with clients who value sustainability. It also enriches our organisational culture, attracting and retaining employees who are proud to be part of a company that prioritises ethical responsibility. Moreover, it enhances our risk profile by aligning with stringent compliance and governance standards, assisting us in becoming more resilient and adaptive to regulatory changes.

This year, we have also advanced our sustainability agenda by establishing an ESG Board Sub-Committee to oversee our initiatives and launching a comprehensive ESG reporting framework in response to stakeholder demands for greater transparency. Looking ahead, our roadmap includes ambitious goals aligned with B Corp principles: achieving net-zero emissions by 2050, updating our materiality assessments, and expanding ESG training across the company.

Our B Corp certification is not just an accolade but a foundational element of our strategic vision as we continue to embed these values into our corporate ethos. With this strong foundation, we are poised to advance, enhancing our contributions to a sustainable and equitable future for all our stakeholders. As we move forward, we are excited by the possibilities our B Corp status brings and the positive impact we can make in the financial sector and beyond.

“Becoming a B Corp cements the strong ESG foundation CAB Payments has built.”



Ann Cairns

Chair and Independent
Non-Executive Director



Susanne Chishti

Independent Non-Executive Director
Chair ESG Board Sub-Committee

Our Vision

Empower communities and partners by moving money everywhere it's needed.

Our Mission

Connecting emerging markets to the global economy through our unparalleled network, cutting-edge technology, and deep expertise in Foreign Exchange (FX) and payments.

Through our unrivaled network, technology, and expertise, we facilitate financial transactions between governments, International Development Organisations (IDOs), institutions, organisations and underserved geographies. Through this connection, both sides can move money where it's needed. CAB Payments offers a single API (Application Programming Interface) for all cross-border payments across 100+ currencies and markets with over 600 currency pairs.

Our work is driven by our core values of integrity, collaboration, impact and client focus. Guided by our values, we integrate Environmental, Social, and Governance (ESG) standards into everything we do. This is demonstrated from how we evaluate new opportunities, to how we work with our staff and clients, and the appointment of our Head of ESG as a trustee of the United Nations Global Compact Network UK (UNGCN UK).

2023 ESG highlights

Certified



Corporation™

CPH gained B Corp certification



EcoVadis Gold Rating awarded for the second year running

CAB Payments enabled

£9.3bn

in global commercial flows into Low and Lower-Middle income countries

Strong diversity across the business

Female colleagues

40%

Ethnically diverse employees

50%



Board female composition

60%



since

2019

Dedicated ESG Board Sub-committee established

All **environmental data** externally verified



OnHand Partnership

Developing community engagement



Chosen Charities - Street Child, PEAS and The Royal Marsden Cancer Charity

Journey to B Corp Certification

As the CRO and Executive ESG Champion, and the Head of ESG at CAB Payments, we are privileged to lead our distinguished, publicly listed, UK-regulated B Corp bank through its ESG journey. Achieving B Corp certification over a two-year cycle has been a period of significant growth and refinement for us.

Our initial pursuit of B Corp certification went beyond achieving a standard; it was about embracing a globally recognised and externally verified framework that confirms our business as a force for good and commits us to high standards of social, environmental, and economic responsibility. This certification serves as a comprehensive benchmark that holds us accountable and binds our ESG efforts with our core values.

The B Corp journey has evolved to offer us so much more. This has included growing strategic partnerships with clients, enhancing our corporate social responsibility (CSR) efforts, and boosting staff engagement. It has also instilled a rigour in our commitment to ESG, establishing robust foundations for our strategy, and enhancing our processes for measurement, management, and disclosure.

The certification process was comprehensive, focusing on broad stakeholder impact, performance, accountability, and transparency. Implementing new processes and systems has progressed our ESG maturity, and enhanced stakeholder value as we continue to advance in how we impact our surroundings.

The Impact areas have become focus pillars to direct energy and effort dedicated in our sustainability journey. The framework of this report is aligned to these five pillars.



Governance



Our People



Community



Environment



Clients

The B Corp validation underscores our commitment to responsible business practices and spotlights our achievements in environmental, social, and governance initiatives. We appreciate the opportunity to share our story and the impact we have made so far. We invite you to explore our first B Corp Impact Report, showing what we have achieved and our future ambition.

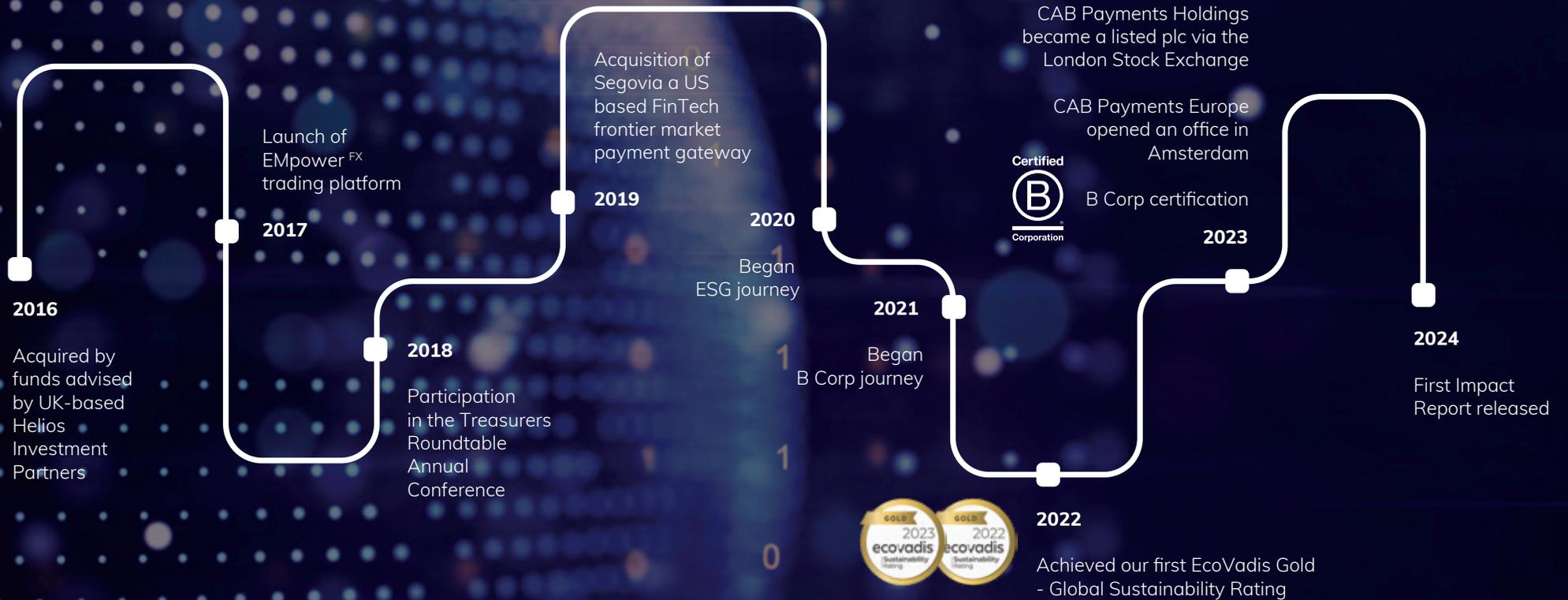
We are grateful for the opportunity to share our story and impact to date with you. We invite you to dive deeper into the impact we have made.



"Achieving B Corp certification has not just recognised CAB Payments meeting a standard; it has heavily impacted how we operate and underscored our commitment to sustainability." —Chris Green, CRO and Executive ESG Champion, CAB Payments

"B Corp certification is more than a label for us at CAB Payments; it's a roadmap for enhancing shareholder value and attracting top talent committed to our ethos of responsibility and impact. This commitment cements our strong sustainability focus, ensuring we are better positioned for future challenges and opportunities." —Charlie Bronks, Head of ESG, CAB Payments

ESG Timeline



Our B Corp score

After two years of hard work and commitment, we are delighted to have certified with 84.2 points across the five impact pillars in the B Impact Assessment: Governance, Our People, Community, Environment, and Clients

However, we know that B Corp certification is more than just points. Our B Corp certification demonstrates that we are a business that meets high standards of verified social and environmental

performance, public transparency, and legal accountability, with profit and purpose interlinked and interwoven through the entire organisation. We have taken B Corp to the heart of our business, embedding this ethos in key decisions that we make.

CAB Payments received 8.6 points for our impact supporting purpose driven organisations (Non-Governmental Organisations and IDOs) to fulfill

their mission in the challenging regions. Although we are proud to have achieved certification, we know that this is just the beginning of our journey. As a part of this journey, we commit to continuously improving our impact, re-enforcing a stakeholder-centric approach to decision making across the business, and publishing our progress in our annual sustainability report.



A company's impact score is a sum of all of the individual questions in the assessment. The weight of each question and section depends on the company's specific track. The track is determined by the industry, size, and geography of the business.

<https://kb.bimpactassessment.net/support/solutions/articles/43000575263-how-the-b-impact-assessment-is-scored>

Our B Corp score continued.

Goals for Recertification in 2026

We have set goals to work on the following impact topics which are aligned with our ESG strategy:

B Impact Assessment Pillar	B Impact Assessment Impact Topic	Our 2025 Goals
 Governance	<ul style="list-style-type: none"> • Mission & Engagement • Ethics and Transparency • Governance Metrics 	<ul style="list-style-type: none"> • Annually review and develop our ESG-related policies to ensure they encompass all areas of the B Corp Impact Assessment
 Our People	<ul style="list-style-type: none"> • Engagement • Financial Security • Health, Safety and Security • Careers and Engagement 	<ul style="list-style-type: none"> • Develop our reporting capabilities to include disclosures on all financial security, workers impact, Career Development, Engagement, Health, Wellness & Safety disclosures within the B Impact Assessment
 Community	<ul style="list-style-type: none"> • Diversity, Equity, and Inclusion (DE&I) • Economic Impact • Civic Engagement & Giving • Supply Chain Management 	<ul style="list-style-type: none"> • Internally grade and record all material suppliers on their ESG credentials • Have over 700 cumulative hours volunteered per year by employees • Have over 30% female representation at senior management • Have over 45% female representation across CAB Payments
 Environment	<ul style="list-style-type: none"> • Environmental Management • Air & Climate • Water • Land & Life 	<ul style="list-style-type: none"> • Develop our net zero plan, and align with the Science-Based Targets initiative (SBTi) • Continue to record and externally verify our carbon emissions, and compare each year to our year-on-year reduction targets • Develop annual targets and annually-reviewed policies for waste, water, and biodiversity management
 Clients	<ul style="list-style-type: none"> • Serving purpose-driven enterprises • Customer stewardship • Direct support for under-served populations 	<ul style="list-style-type: none"> • Measure the impact of our work on our indirect beneficiaries • Develop long-term professional partnerships with our International Development Organisation (IDO) clients to aid their missions

Impact Areas

The rest of the report assesses our impact across the five pillars that the performance standards for B Corp are structured around. In 2024 we will incorporate this impact into a full sustainability report aligned to our most material topics. The following is intended to meet B Lab UK's preference that UK certified B Corps report on social and environmental impact, and our process relating to Governance, Workers (Our People), Community, Environment, and Customers (Clients).



Governance



Our People



Community



Environment



Clients



Impact Area Governance

Introduction

CAB Payments is the holding company for Crown Agents Bank (CAB), the main operating company. Our commitment to Environmental, Social, and Governance (ESG) principles is deeply ingrained in our corporate identity and operational structure, showcasing our dedication to sustainable growth that goes beyond just generating profit. This commitment is demonstrated through our robust governance framework, which ensures accountability and transparency as a UK-regulated bank under both the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).

ESG Governance in the Boardroom

In 2023, we reinforced our ESG commitment by establishing a dedicated ESG Board Sub-Committee, chaired by Susanne Chishti, Independent Non-Executive Director (INED). This ESG Board Sub-Committee plays a pivotal role in overseeing ESG management and advising the Board on governance issues, reflecting our proactive and practical approach to managing the dynamic discipline of ESG.

The ESG Steering Committee

Supporting the ESG Board Sub-Committee is the ESG Steering Committee, a central part of our day-to-day management structure tasked with advancing our ESG initiatives. This committee, comprising members from various business areas, brings a rich mix of skills, knowledge, and experiences, driving best practices and guiding to ESG-related initiatives. This setup ensures comprehensive involvement across business functions, enabling our team to actively participate in reaching our ambitious ESG targets.

Commitment to ESG Integration

Our governance structure underscores our dedication to ESG leadership, aligning closely with our mission to connect emerging markets globally through our network, technology, and FX expertise. The backing from both the ESG Board Sub-Committee and ESG Steering Committee, along with the integration of stakeholder-focused decision-making into our Articles of Association, played a pivotal role in obtaining our B Corp certification. Our B Corp Certification in 2023 marks a significant milestone, reaffirming our commitment.

The ESG governance and management team are as follows:



The ESG Board Sub-Committee is not an official committee of the board but a designated assignment consisting of two INED Board Members: Susanne Chishti, serving as the Chair, and Karen Jordan, with Chris Green, the Chief Risk Officer, executive team, and Charlie Bronks, Head of ESG, as permanent attendees from CAB Payments.

Impact Area Governance continued.

Strategic Goals

The 17 UN Sustainable Development Goals (SDGs) are an urgent call for action by all countries (developed and developing) in a global partnership. They recognise that ending poverty and other deprivations must go hand in hand with strategies that improve health and education, reduce inequality and spur economic growth – all while tackling climate change. CAB Payments is fully committed to contributing to the SDGs, we have aligned our ESG strategy to five goals which support achieving seven of the SDGs (1, 5, 8, 10, 12, 13 and 16).

01

Our Organisation:

By 2030, we will ensure our employees represent the diversity of the geographies we work across, actively recruiting, supporting, and empowering those underrepresented within our sector.

02

Our Work:

By 2030, we will broaden the impact of our work ensuring that more people, particularly those in frontier and emerging markets, have equal rights to financial services.

03

Our World:

By 2030, we will be addressing our impact on the planet across our value chain, as well as our organisation actively contributing to solutions.

04

Culture:

By 2030, all our employees, stakeholders, and the wider market will be able to understand and evaluate our internal and external impact (on society and the environment).

05

Governance:

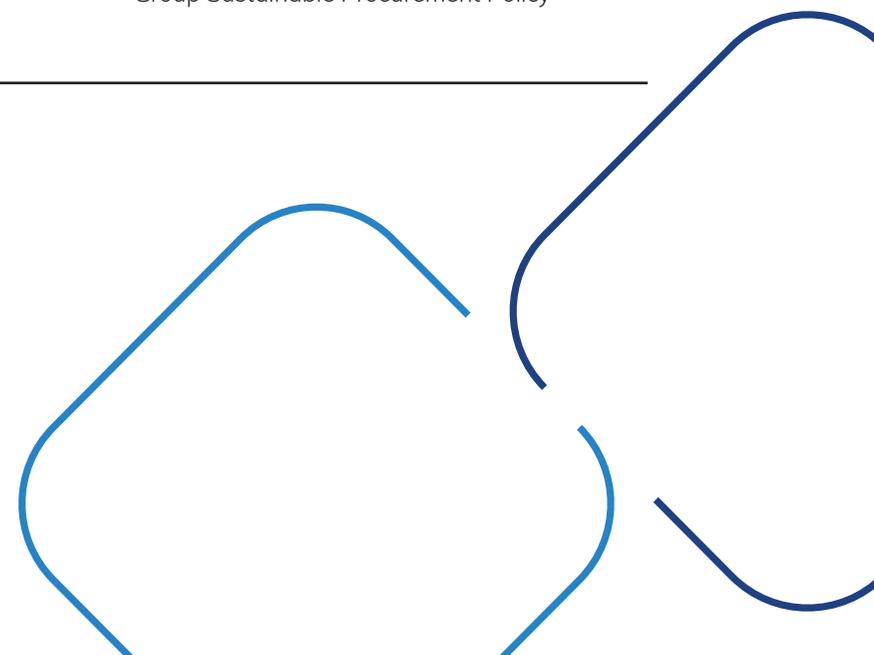
By 2030, we will have embedded our clear governance structure that will enable all of CAB Payment's work to fulfil our mission and vision.



Impact Area Governance continued.

Governance - reviewing our progress

What we said we'd do	What we did in 2023	Plans for 2024
Set up an ESG Steering Committee	Set up an ESG Board Sub-Committee and an ESG Steering Committee, ensuring good governance across the entire business	<ul style="list-style-type: none"> • Have over 90% of employees report they understand the Group's ESG strategy and how it relates to their work
Update our Articles of Association to include stakeholder-centric decision making	Updated our Articles of Association to include stakeholder-centric decision-making	<ul style="list-style-type: none"> • Have over 90% of employees understand the ethos of B Corp and join culture and communication sessions and training
Achieve B Corp Certification	Achieved on 16 August 2023	<ul style="list-style-type: none"> • Introduce a formal link between performance-related variable pay and the achievement of our ESG targets
Link Executive Directors annual bonuses to ESG measures	Successfully link 5% of the Executive Director annual bonuses to ESG measures	<ul style="list-style-type: none"> • Publish inaugural Sustainability/Impact Report • Review and continued development of current Group Environmental Management Policy, Social Responsibility Policy, and Group Sustainable Procurement Policy



Impact Area



Our People

Our success in fulfilling our mission and realising our vision depends on our ability to attract, retain and motivate highly talented individuals. While technical ability is paramount to our success, it is not the sole determining factor in hiring our people.

We place great emphasis on our shared values and corporate culture. As well as a comprehensive employee handbook and a suite of benefits (that align with the B Corp requirements for employees of any comparable business), we also survey all our employees on an annual basis to understand how this translates into their day-to-day experience.



Seema Vaja

Payment Operations Team Lead

Robinah Nayiga

Marketing Associate

Impact Area Our People continued.

People Insights

In our 2023 employee survey we achieved an overall 85% engagement score with a 77% participation of employees, a recognised high response rate. An 85% engagement score places us in the upper quartile of all organisations surveyed (+7% vs Financial Services) and we were awarded an Outstanding Workplace 2023 by People Insight.

We asked if employees agreed with the statement 'I care about the future of CAB', and if they felt that 'they feel comfortable voicing their opinions at work'. The response was 95% and 84% respectively, showing a true internal passion for the success of CAB, and that

their voices are heard. This is an important statistic for this impact report, which is judging our employees' belief in our values and behaviours as a company.

Highlights, of where we score considerably higher in comparison to Financial Services, include 'My line manager recognises my work and acknowledges a job well done' 85% (+23%), 'Communications are good between different teams' 64% (+17%), 'People with backgrounds like mine are able to success here' 81% (+13%). These scores additionally showed improvements for CAB vs 2023.

The positive response to our employees' view of CAB's future is a notable outcome of our drive to engage and include all employees. While our employees feel we need to do more in some areas, overall, they feel included and heard in a supportive and coaching environment.

Some of the key themes identified will be explored in action planning sessions across the organisation are managing change, clarity and connection to the direction and vision of CAB. We are confident this will build on our strong sense of collaboration as we grow our organisation.

95%

of employees agree with the statement "I care about the future of CAB."

93%

of employees agree with the statement "Within CAB, people with different backgrounds interact really well."

90%

of employees agree with the statement "If I were to make a mistake, my manager would be supportive in helping me learn from it."

86%

of employees agree with the statement "People of all background are respected and valued in CAB."

86%

of employees agree with the statement "I am proud to work for CAB."

84%

of employees agree with the statement "I feel comfortable voicing my opinions at work."

Impact Area Our People continued.

Mentoring Programme

Our Mentoring Programme was launched in 2021 in response to listening to the feedback of our employees. We continue to develop the programme through evaluation and feedback from participants.

The programme is open to all employees, who may apply to be a mentee and or a mentor. It is a structured programme and offers two types of mentoring partnerships:

Traditional Mentoring: A less experienced employee is mentored by a more experienced/senior colleague.

Reverse Mentoring: A senior employee can learn from a more junior colleague, who can offer different perspectives and ideas, for example social media impact for business.

Our mentoring programme typically runs for 9 months. We encourage our mentees to set specific goals to work towards, with the support of their mentor. Pairs are encouraged to meet for at least 6 sessions of approximately 60 minutes every 4-6 weeks to maintain momentum.

Support webinars take place at the beginning, middle and near the end of the programme to allow for open discussion and reflection on the mentoring partnership and to provide valuable feedback on the programme. This allowed us to improve the way we work and overall client experience.

We are proud to report that in 2023 our programme facilitated 16 partnerships and feedback from our cohort highlighted the success rates of achieving individual mentee outcomes.

Mentors:

“Conversations were open, honest, and rich.”

“Meetings were precise and to the point, with clear actions set and followed-up.”

“A degree of trust was built very early on which allowed our partnership to work well.”

Mentees:

“My mentor created a safe space.”

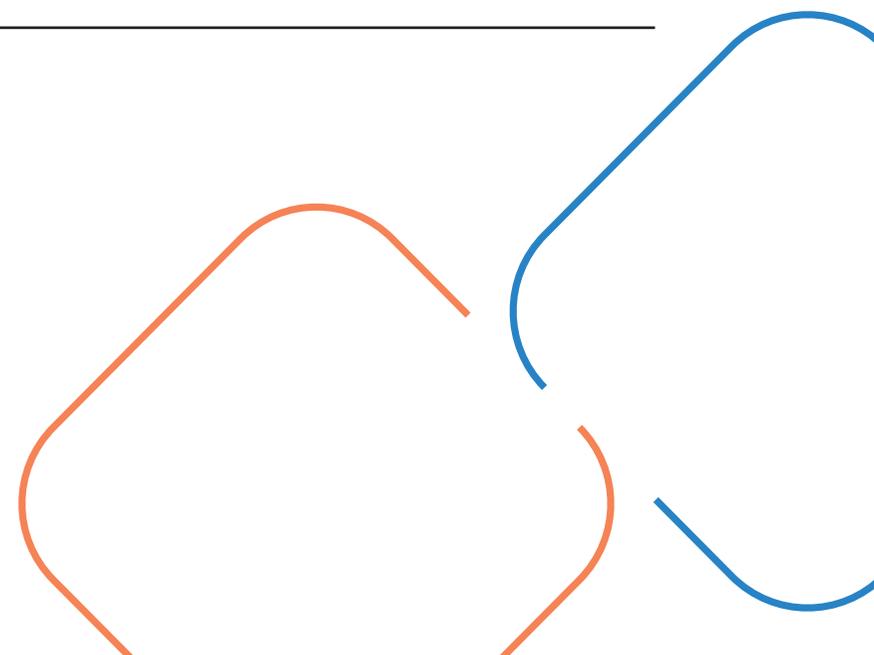
“Mentors were supportive.”

“My mentor provided me with practical tips within the workplace.”

Impact Area Our People continued.

Our people - reviewing our progress

What we said we'd do	What we did in 2023	Plans for 2024
Continue our mentoring programme, which started in 2021	Continued to deliver a mentoring programme	<ul style="list-style-type: none"> Plan and develop a mentoring scheme based on our experience ESG department to deliver ESG onboarding sessions in person to new starters
Incorporate ESG modules into the onboarding process, ongoing training, as well as informal team and news updates	<p>Developed and incorporated slides into new starter on-boarding deck.</p> <p>Incorporated sustainability training into CAB Payments' mandatory training requirements</p>	<ul style="list-style-type: none"> ESG learning and development Bank-wide training requirement modules for sustainability Plans with metrics on Gender (DEI for 2024)
Develop a flexible working policy for all staff	Developed and implemented flexible working policy for all staff	





Impact Area Community

This section covers our approach to equity and inclusion, as well as external stakeholders, and goals for improving civic engagement within CAB Payments. Our mission puts disadvantaged communities in some of the poorest and most vulnerable parts of the world at its heart, therefore it is essential that we truly live our values across our operations when it comes to measuring and managing the diversity and equality of opportunity for our own staff at CAB Payments.

Supporting financial inclusion across CAB Payments is a crucial part of achieving our vision. CAB Payments

recognises its role in providing foundational infrastructure for many lower-income economies. By actively promoting financial inclusion, CAB Payments contributes to economic development and empowerment in these regions, providing stability and resilience. CAB Payments' commitment to the Women in Finance Charter also reflects an understanding that gender equality is not just a moral imperative, but also a strategic business decision. The bank acknowledges the positive impact of gender equality on innovation, productivity, employee engagement, and financial performance.

As a member of the UN Global Compact Network UK (UNGCN UK), CAB Payments aligns with global initiatives that emphasise equal rights, diversity, and inclusion. CAB Payments not only supports the well-being of individuals and communities, but also contributes to a more sustainable and equitable global financial landscape.

"Achieving gender equality is not just a matter of justice and human rights, but also good business. Gender equality can lead to greater innovation, higher productivity, improved employee engagement and retention, and stronger financial performance."

Impact Area Community continued.

Case Studies

CAB Payments is driving to be a Group whose people and work truly reflect how and where we operate. Our mission puts disadvantaged communities in some of the most vulnerable parts of the world at its core.

Ringling the bell

The UNGCN UK joined International Finance Corporation, Sustainable Stock Exchanges, UN Women, The World Federation of Exchanges, and Women in Exchange Traded Funds at Ring the Bell for Gender Equality on International Women's Day 2023. This campaign brought together stock exchanges around the world to ring opening or closing bells to celebrate International Women's Day.



Chosen by Charities

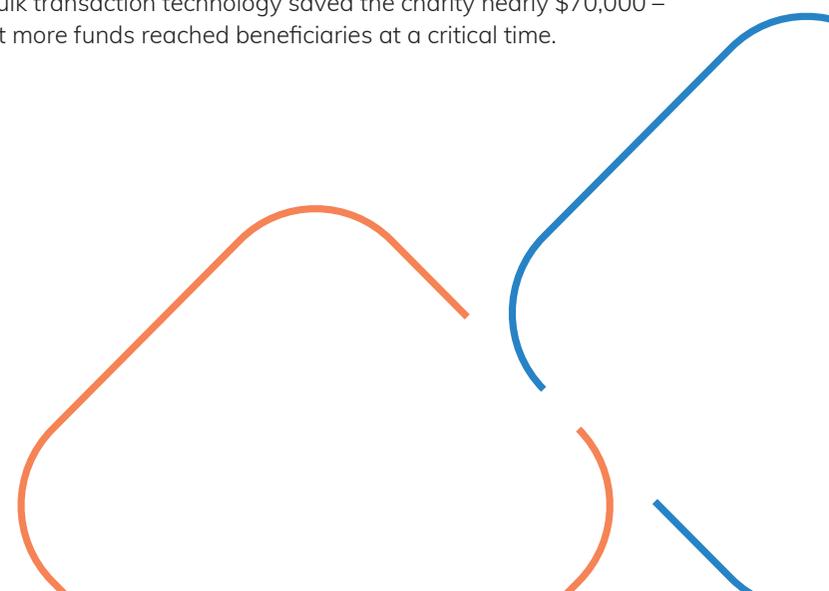
Mobile money has proved to be a lifeline in reaching vulnerable people in Africa, many of whom have no bank account or even the ability to get one.

However, for not-for-profits, the last mile of delivery can be a story of opaque information, delays of urgently needed funds, and a considerable percentage of donors' gifts evaporating in fees. Fraud is also a constant risk.

CAB Payments' Segovia technology is a mobile payments gateway purpose-designed for mobile money transfers. It is fast, secure, cost-efficient and features the transparent reporting that charities need.

Moreover, their account is never debited until the system can ensure the payment will reach the intended recipient.

During lockdown, our bulk transaction technology saved the charity nearly \$70,000 – a major sum that meant more funds reached beneficiaries at a critical time.



Impact Area Community continued.

Community – reviewing our progress

What we said we'd do	What we did in 2023	Plans for 2024
<p>Measure the current diversity profile and set inclusivity and diversity targets for senior management roles and across the whole organisation in 2025 and 2030</p>	<p>Signatory of the Women in Finance Charter committing to 30% of Executive Committee, Senior Vice Presidents, and Vice Presidents to be women by September 2024 and a target of 45% of women in CAB Payments</p> <p>Strong diversity across the business:</p> <p>Achieved 50% ethically diverse employment across CAB Payments</p> <p>Achieved 40% female employment across CAB Payments</p> <p>Achieved 60% female Board representation</p>	<ul style="list-style-type: none"> • Introduce a formal link to performance-related variable pay and the achievement of our ESG targets • Strengthening our information and data analysis capability to monitor and track our progress more effectively and share the outcomes more widely • Continuous review of our policies and processes to ensure we promote diversity across CAB Payments • Be seen as thought leaders in global forums and networks, sharing best practices and learning from others
<p>Set up a procurement function with a sustainability review and a policy embedded</p>	<p>Established a robust procurement function across CAB Payments, with strong sustainability principles</p> <p>Developed an ESG scoring and rating system for our supply chain, embedded in our supplier code of conduct</p>	<ul style="list-style-type: none"> • Grade all material suppliers according to their fulfilment of predetermined criteria and achieve >50% of suppliers that CAB Payments works with being graded • Assess supplier network lists and create quality criteria including requests for policies and Modern Slavery Statement • Maintain Gold rating, and improve EcoVadis score



Impact Area Environment

In this section we outline CAB Payments' high-level strategy for addressing our environmental responsibilities within the wider framework of our ESG commitments. While a significant portion of our ESG efforts focus on stakeholder collaboration and generating meaningful social impacts in the communities we serve, we must also take responsibility for the climatic impact of our operations.

Our commitment to the environment begins with rigorous emissions reporting. By accurately measuring our impact, we can initiate well-informed action plans to address and reduce our carbon footprint. A practical application of this approach is our travel handbook, which advises employees on minimising travel and opting for the least polluting transport options when travel is imperative. This is just one aspect of our broader strategy to manage our wider footprint.

Looking forward, we are exploring innovative carbon offset solutions, and we are intensifying our efforts to implement responsible business practices throughout our supply chain.

As we continue to expand our environmental focus, CAB Payments' approach ensures efforts extend beyond the impact of our immediate operations, and commitments reflect building long-term resilience and grow shared value for all our stakeholders.

Impact Area Environment continued.

Addressing our direct emissions

Summary of location-based results (tCO2e)	2019***	2020	2021	2022	2023
Scope 1 (tCO2e)*	64.7	13.9	25.3	27.2	42.9
Scope 2 (tCO2e) **	85.1	29.5	61.9	57.8	62.3
Scope 3 (tCO2e)	1016.1	39.1	127.8	905.2	1616.3
Total tCO2e	1166.0	82.5	215.0	990.2	1721.5
Target (5% reduction from 2019 baseline – tCO2e per £m turnover)	34.1	32.4	30.8	29.2	27.8
Actual tCO2e per £m turnover	34.10	1.50	3.80	9.10	12.60
% difference between actual and target	-	-95.39%	-87.77%	-68.93%	-54.65%

*Natural Gas Consumption Only

** Electricity Generation Only – Does not include transmission and distribution or WTT

*** 2019 is the CAB Payments' Baseline year for our 5% YoY reduction per £million turnover

tCO2e per £m turnover - Target vs Actual



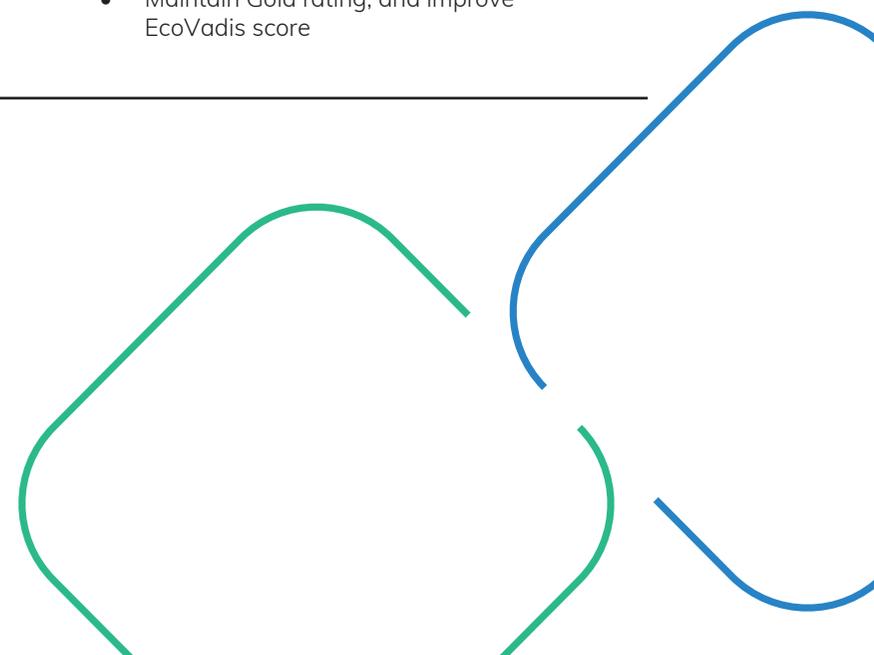
COVID accounts for the initial sharp decrease in March 2020. This also aligns with better ESG provisions and counter measures for our emissions.

The pandemic made 2020 and 2021 anomalous, with vastly reduced emissions. To set more accurate pre-pandemic targets, 2019 data was considered. CAB Payments aimed for a 5% annual reduction in emissions per £million turnovers since 2019. Fluctuations are primarily attributed to the pandemic, but a more consistent decrease is expected moving forward.

Impact Area Environment continued.

Environment – reviewing our progress

What we said we'd do	What we did in 2023	Plans for 2024
<p>Reduce carbon by 5% per £million revenue</p> <p>Offset our carbon emissions using Gold and Verra standard offsets</p>	<p>5% reduction target met year on year per £million revenue</p> <p>All carbon emissions are being offset year on year</p>	<ul style="list-style-type: none"> • Continue to verify emissions each year, and work towards science-based target Initiatives (SBTi) disclosures and carbon removal offsets • Reduce emissions in line with CAB Payments' specific targets
<p>Sign up to global forums and networks to share best practice, learn from others and expand impact beyond CAB Payments' immediate operations</p>	<p>We are active members of Payments Association, Co-Chair of the ESG working group, UK Finance, Invest Africa, Business Council. We are also represented on the board on the UNGC Network UK, Association of Southeast Asian Nations (ASEAN) Bankers Association for Finance and Trade (BAFT) Choice & Dignity for People in Crisis (CALP), and the Charities Finance Group</p>	<ul style="list-style-type: none"> • The ESG Working Group workstream to focus on incoming mandatory carbon reporting regulations • Maintain carbon neutrality • Develop our Environmental Management Policy to include Waste and Water • Begin process of developing regular internal environmental reporting • Maintain Gold rating, and improve EcoVadis score





Impact Area Clients

Moving money where it's needed

This section of our Impact report addresses the most important, material impact that we can have – “keeping the lights on” by connecting underserved individuals and economies to the global financial system.

CAB Payments facilitated over £1.7 billion GBP and £3.1 Billion GBP in remittance and development aid flows respectively in 2023 for Frontier and Emerging Currencies, positively impacting individuals across the developing world.

Our role is to facilitate the cross-border flow of money between developed and emerging markets. In doing

so, we create opportunities. These individuals, businesses and economies can be both our clients and the beneficiaries of our clients' payments.

The post-financial crisis phenomenon of bank de-risking was especially felt in complex and hard-to-reach markets. Several markets in CAB Payments' operation found themselves facing the

challenge of being almost entirely cut off from global payment networks. In some Caribbean and African markets, CAB Payments has been the last line of connection to vital FX and payments markets, which fundamentally support economic activity in some of the world's more vulnerable regions.

Impact Area Clients continued.

Having a positive social impact

CAB Payments enabled over £9 billion in global commercial bank flows to low and lower-middle-income countries in 2023, connecting underserved economies and individuals to the global financial system.

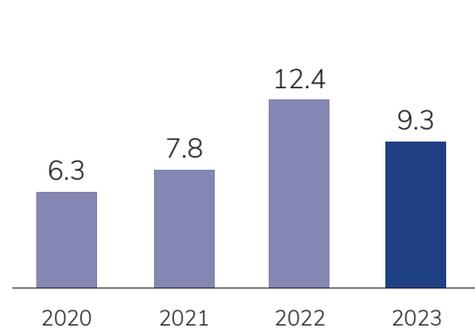
The data we use to monitor the level of financial inclusion we contribute to is quantified in terms of currency flows that are moved across the markets we operate in and the millions of GBP that we facilitate in remittance and development aid flows into emerging and frontier markets.

We are a key partner to the humanitarian and international development sectors, supporting multilateral, government, and non-governmental organisations in some of the world's most challenging environments. Our flows to emerging and frontier markets on behalf of international development organisations represented billions of GBP in 2023.

The Remittance FX volumes to emerging frontier markets bar chart shows the flows that CAB Payments facilitates on behalf of customers whose primary business is remittances. Our working assumption is that these clients' customers are individuals sending money to friends, family, or small businesses.

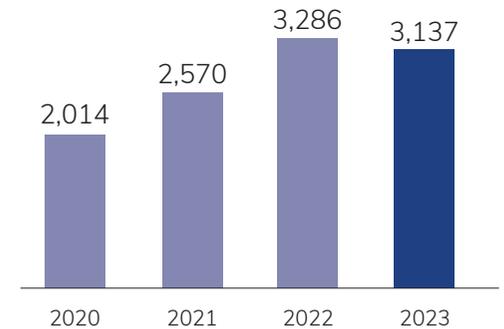
For further insight please visit our Annual Report.

Flows into Lower Income Countries £9.3bn



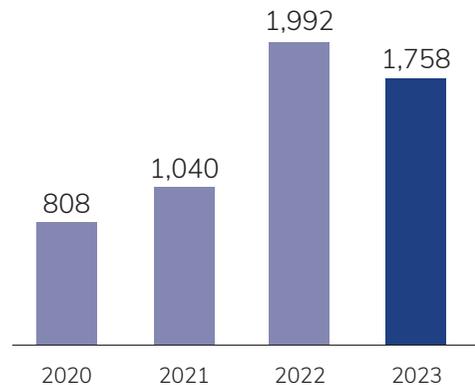
Definition: Commercial banking flows into Lower Income and Lower-Middle-Income countries as defined by the World Bank.

Development Aid flows £3,137mn



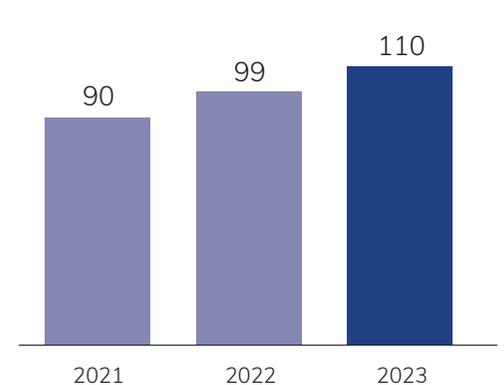
Definition: FX and Cross Currency Payment volumes from developed organisations into Emerging Markets.

Remittance flows £1,758mn



Definition: FX and cross-currency payment volumes into Emerging Markets for NBF clients specialising in B2C Remittance.

Number of Currencies Offered 110



Definition: Currencies where we are able to undertake an FX/Payment transaction.

Impact Area Clients continued.

Managing and measuring the outcomes of our work

The outcome of connecting underserved people to the global financial system is equity of access. What individuals, businesses and international development organisations do with this access varies, just like it does across developed markets where this access is often taken for granted.

We manage our social impact through risk assessments with new clients and capacity building with the central and local banks, which other larger payment providers choose not to work with. We also help regulators and development organisations to set up, run, and co-host regulator round tables.

Over 50% of CAB Payments' revenue is generated through services to Non-Governmental Organisations. CAB Payments is committed to being a good actor in the sector through our work, but also through being an engaged, and open partner to the wider international development sector. Over 2022-23, CAB Payments built out a programme of partnerships with bodies across the sector, including BOND, Alliance, and Humentum. We have been using these channels to share our story and drive discussion of the challenges hard-to-reach markets face. We highlight the need to find collaborative solutions that engage both international regulators, the private sector and impacted communities to build safe, regulated payments channels where they are most needed.

Bill and Melinda Gates – Case Study

CAB Payments, with the support of the Bill & Melinda Gates Foundation, produced a thought leadership paper on the selection process for Cash Based Interventions (CBIs). Over the last two decades, governments as well as humanitarian and relief organisations have dramatically expanded the use of cash and cash equivalent transfers to combat poverty, improve health outcomes and expand access to basic goods and services. When used properly, cash can provide quicker, cheaper, and more flexible assistance, whether in the context of enhancing the long-term economic development of a region or rapidly responding to a natural disaster. In our own experience, selecting service providers for digital CBIs has proved to be a difficult and complicated process for implementing organisations and technology partners alike. Therefore, CAB Payments chose to write this paper, to provide readers with tools and guidelines for the design and implementation of CBIs through the choice of implementing partners, contractors and technology. Our hope is that this paper supports other actors in our sector to work in alignment with our mission and move money where it is needed most.

Advancing Financial Inclusion – Refugees Case Study

Advancing Financial Inclusion For Refugees Centenary Bank Limited in Malawi partnered with CAB due to its strong relationships, extensive settlement network and long commitment to providing banking services to local banks in Africa and connecting them to the global financial infrastructure. Working with Centenary Bank, CAB was best positioned to offer correspondent banking services by providing USD clearing to help support this vital project. CAB leveraged its partnerships with local and international banks, such as Centenary Bank to help support the delivery of these funds to beneficiaries. Its payment rails and correspondent banking network came into play to make this possible as it had the systems in place which allowed for the seamless alignment with other bank systems.

This was the first project of its kind worldwide with a commercial bank extending its banking services to refugees. The agency which was started as a means of fostering financial inclusion towards people in the country, including refugees, has now become a hotspot for financial transactions in the camp extending banking services to those who are most in need.

Impact Area Clients continued.

Clients – reviewing our progress

What we said we'd do	What we did in 2023	Plans for 2024
<p>Increase commercial bank flows to low and lower-middle-income countries</p>	<p>Increased commercial bank flows to low and lower-middle-income countries by over 40%</p>	<ul style="list-style-type: none"> • Publish a social impact report • Strengthen growth and rate of flows through customer segments
<p>Track and pilot partnerships for last-mile delivery in hard-to-reach communities</p>	<p>Developed partnerships to reach even more markets and individuals who need access to the global market</p>	<ul style="list-style-type: none"> • Measure and track the impact of our work on wider beneficiaries, informing a strategy to increase the positive impact and reduce the negative impact of CAB Payments' work • Continue our commitment to hard-to-reach markets by continuously investing in currencies, partnerships, and economies



UN Global Compact and EcoVadis

United Nations Global Compact (UNGC) is a pact for businesses and firms worldwide to adopt sustainable and socially responsible practises, and report on their implementation. In 2018, CAB became a participant member of the UNGC.

“The UN SDGs guide the focus of ESG strategy and provide a governing framework for decisions. The UNGCN is a business platform that supports moving from ambition to action”

Charlie Bronks, Head of ESG, Member of the Board of Trustees, UNGCN UK

Underpinning our commitment to sustainability, ethical business practices, and performance, CAB Payments has achieved a 2023 Gold Award Status with EcoVadis, for the second year running. EcoVadis is a popular Sustainability Ratings Provider that has been tested on over 100,000 companies across 200+ industries and 175+ countries. Our award places us in the top 5% of performers, globally.



Further Information

B Corp link:

<https://bcorporation.uk/>

B Corp Blog:

<https://www.crownagentsbank.com/insights/crown-agents-bank-journey-to-certification/>

B Corp page CAB Payments:

<https://cabpayments.com/investors-home/esg-corporate-governance/esg/>

Sustainability page CAB Payments:

<https://cabpayments.com/#sustainability>

B Corp page CAB Website:

<https://www.crownagentsbank.com/sustainability/>

The Banker Article:

<https://www.thebanker.com/Becoming-a-B-Corp-1700122785>

EcoVadis Link:

<https://ecovadis.com/>

ESG Banker Supplement:

<https://tinyurl.com/2kwwfwph>

ESG Section of CAB Payments Holdings plc Annual Report Page 28-46

https://cabpayments.com/site/assets/files/10848/cab_payments_holdings_plc_-_annual_report_2023_interactive_pdf.pdf

CAB | PAYMENTS

CAB Payments Holdings plc

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Certified



Corporation