



Our commitment
to sustainability

Social and Environmental Review

As a part of our social mission in providing non-financial services, In 2009 First Finance set up a dedicated property consultation team that offers value-added general housing finance services to prospective and existing borrowers. Borrowers may call in and enquire about the process for property title transfer, check on the legitimacy of developers, and other housing related matters. Educational content on property rights and short tips on personal financial management have been developed as infographics. 59 short 'tips' and educational content were posted on First Finance social media in 2022: with each post receiving about 500 views. First Finance prides itself on being able to provide such value-added services to improve the understanding of its borrowers, so that they can better protect themselves and make the right choices when buying properties that they can call home.

First Finance also took steps towards effective Social and Environmental Performance Management by developing a Social and Environmental Management Policy, a social financing framework and reporting system, which were verified by a second party opinion (Moody's). We educate our staff, clients and the community for evaluating the environment and social impact, and for mitigation and management of those risks accordingly. First Finance has integrated social and environmental due diligence and evaluation into our credit assessment, as well as the credit monitoring process, to prevent and minimize environmental harm, as well as to promote social equality and equity. We conduct reassessment annually for loans greater than USD 30,000.

SOCIAL AND ENVIRONMENTAL PRINCIPLES



Proactively integrate environmental and social considerations into our business decisions, including managing our people and operational impact, financing, and procurement.



Comply with all relevant environmental laws and regulations of the Kingdom of Cambodia, international law, and best practices, to ensure operational sustainability, client growth, and risk reduction.



Operate with caution by undertaking due care and diligence, to evaluate and adopt measures that will prevent and minimize environmental harm, as well as promote social equality and equity.



Engage with stakeholders regarding the management of social and environmental risk, and to identify opportunities for improvement.

Our principles are aligned with and guided by our commitments, as well as the UN Sustainable Development Goals (SDGs). We mapped the UN SDGs based on the areas we have the most impact and influent, resulting in 10 priority SDGs.





SOCIAL AND ENVIRONMENTAL

FINANCE SCORECARD





SUSTAINABLE ACTION AND BUSINESS

Related UN SDGs	Measurement	2022 Performance
<div> <div>1 NO POVERTY</div> <div>4 QUALITY EDUCATION</div> <div>5 GENDER EQUALITY</div> <div>6 CLEAN WATER AND SANITATION</div> <div>10 REDUCED INEQUALITIES</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> </div>	Financial Inclusion and Literacy Financing to low and low-middle income households and first home owner.	<ul style="list-style-type: none"> 62% of clients have a monthly income below USD 700. 2,179 households accessing financial services—a portfolio of USD 35 Million. 64% of all clients are women. 63% of all clients are first-time homeowners. 59 short tips and educational content on personal financial management and property rights posted on our social media channel.
	Access to affordable housing, clean water and sanitation	<ul style="list-style-type: none"> About 60% of clients using housing loans to improve their quality of life.
	Customer Experience Net Promoter Score (NPS)	<ul style="list-style-type: none"> 75% are satisfied
	Client Retention Rate	<ul style="list-style-type: none"> Retention rate is 77.3%
	Diversification and Inclusion Women in leadership roles	<ul style="list-style-type: none"> 10%
	Climate Change GHG emission (Scope 1&2)	<ul style="list-style-type: none"> Butane(liter): 44,956 Electric/Grid Power(kWh): 187,499



CORPORATE SOCIAL RESPONSIBILITY

Related UN SDGs	Measurement	2022 Performance
 	Giving Back to the Community Human Resource capacity building	<ul style="list-style-type: none"> Implemented three library projects.

GOVERNANCE & RISK

Related UN SDGs	Measurement	2022 Performance
   	Governance and Ethics Policies are in place to support sustainability action and business. Monitor portfolio to see how source of income has a social and environmental impact.	<ul style="list-style-type: none"> Updated Environmental & Social impact management policy. Developed Security and Safety procedures. Updated complaint resolution mechanism. Integrated exclusion list for credit assessment and credit monitoring processes. Updated the Whistle-Blowing Policy. Updated the Code of Conduct. Re-engineered the Credit Policy and Procedures. Developed the Credit Risk Management Policy. Updated the Compliance Policy. Updated the HR manual.
	Female representation on the Board	<ul style="list-style-type: none"> 0

STAKEHOLDER ENGAGEMENT & ADVOCACY

Related UN SDGs	Measurement	2022 Performance
 	Talent Attraction, Growth and Retention Number of staff trained in social and environmental impact management each year.	<ul style="list-style-type: none"> Since the policy has just been developed, training will be delivered from early 2023 onwards, in the induction program and annual refresher training.

The Highest Level of Client Protection Recognition



With a social mission to build the economic stability of low-income Cambodian families by increasing access to home ownership through the provision of long-term finance, First Finance is committed to preventing over-indebtedness with the highest level of care and transparency among its clients. Receiving the Gold Standard of Client Protection Certificate in 2022, which was assessed by M-Cril, provides us with a clear picture of our implementation of Client Protection Principles in day-to-day operations. These standards are (1) Appropriate products design and delivery (2) Prevention of over-indebtedness (3) Transparency (4) Responsible pricing (5) Fair and respectful treatment of clients (6) Mechanisms for complaint resolution, and (7) Privacy of client data.