SOCIAL AUDIT

SPI5

Entity: BORVOR FINANCE PLC

Type: Public Limited Company and Rural Credit Operator

Head Office: Battambang, Cambodia

Year of establishment: 1998

Date of report issuance: June 12, 2026

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Introduction

This report is structured as follows. It first introduces the social audit tool applied and provides a concise description of the assessed organization, BORVOR FINANCE PLC (hereinafter BORVOR). It then presents the executive summary with the main findings of the analysis and the dashboard generated with the SPI5 tool developed by CERISE and the Social Performance Task Force (SPTF). Each assessed dimension is subsequently presented by outlining its scope, analysing BORVOR's performance against the relevant standards, and proposing concrete actions to address identified areas for improvement.

About the Social Audit

This report has been prepared in accordance with the Universal Standards for Social and Environmental Performance Management (USSEPM), developed by the SPTF. The standards encompass seven dimensions:

1. Define and monitor social goals.
2. Ensure board, management, and employee commitment to social goals.
3. Design products, services, delivery models, and channels that meet clients' needs and preferences.
4. Treat clients responsibly.
5. Treat employees responsibly.
6. Balance financial and social performance.
7. Promote environmental performance.

The purpose of social audits is to provide a comprehensive assessment of organizational performance, identifying both strengths and areas for improvement across these dimensions. This approach enables institutions to implement corrective strategies, strengthen their commitment to sustainability, and ensure that their operations are aligned with ethical and responsible standards. In doing so, they seek to maximize their positive impact on key stakeholders, including clients, staff, and the environment.

About BORVOR

BORVOR was established in 1998 as a Small Economic Activity Development Project of CARE Cambodia, the local affiliate of the humanitarian organization CARE International. In 2002, it evolved into the Cambodian Community Savings Federation (CCSF) and later transformed into a public limited company in 2017. BORVOR is registered with the National Bank of Cambodia (NBC) as a Rural Credit Operator and with the Ministry of Commerce as a public limited company.

BORVOR operates in Battambang and Banteay Meanchey provinces through two provincial branches and eight district branches. It employs more than one hundred staff and serves over 2,200 active borrowers, predominantly in rural communities. Its client base includes a significant share of women and low- and lower-middle-income households.

BORVOR offers three primary loan products: productive loans, consumption loans, and emergency loans. These products support income-generating activities, household needs, and crisis response. All borrowers are covered by an internal loan protection mechanism, which covers outstanding loan balances in the event of borrower death.

BORVOR maintains relationships with domestic and international partners, including Lendwithcare UK, the crowdlending platform of CARE UK, and Kiva, a US-based platform. It is also a member of the Cambodia Microfinance Association (CMA) and Credit Bureau Cambodia (CBC).

Mission of BORVOR FINANCE PLC

"BORVOR provides affordable financial services to low-income families, especially women, responsive to their needs to improve their living standard."

Vision of BORVOR FINANCE PLC

"BORVOR envisages itself as the first-choice sustainable microfinance institution involved in poverty alleviation."

EXECUTIVE SUMMARY AND DASHBOARD

BORVOR FINANCE PLC demonstrates a clear social orientation, with a stated focus on low-income households, women, and rural clients in Cambodia. This orientation is reflected in its mission, Business Plan, operational planning tools, and portfolio monitoring framework, which define the clients BORVOR seeks to serve and the indicators used to monitor outreach and portfolio performance.

Governance and management oversight cover key areas of institutional performance and risk. The Board, senior management, and Internal Audit monitor indicators related to women borrowers, rural outreach, income classification, client retention, client information activities, portfolio quality, fraud cases, client protection issues, and operational risks. The Annual Operating Plan (AOP) and Key Performance Indicators (KPIs) framework provide a structured basis for reviewing outreach, portfolio performance, staffing capacity, client feedback, and risk indicators.

Client protection practices are a relative strength. BORVOR applies controls related to repayment capacity analysis, credit bureau checks, loan approval, loan documentation, pricing transparency, complaints handling, and collection practices. Policies prohibit coercive sales, misleading promotion, inappropriate collection practices, and abusive treatment of clients. Client understanding surveys and internal audit visits provide additional checks on how loan terms are communicated and understood.

BORVOR also has formal human resource processes covering employment contracts, job descriptions, orientation, probation, training, annual performance appraisal, grievance channels, and staff satisfaction surveys. Recruitment and onboarding are broadly aligned with BORVOR's target clientele. Performance appraisal includes portfolio quality, client retention, audit findings, documentation quality, and complaints indicators, while the limited role of variable pay helps reduce incentive-related risks.

The main area for further strengthening is the development of a more outcome-oriented Social Performance Management (SPM) system. BORVOR could build on its existing social orientation, monitoring practices, and client protection controls by defining a clearer theory of change explaining how its products and services are expected to contribute to poverty alleviation and improved living standards. This should be supported by more specific client outcome indicators and targets, together with clearer procedures for collecting, segmenting, validating, and analysing client outcomes data alongside Management Information System (MIS) and financial information.

A similar need for greater formalization applies to environmental performance management, which has started but remains at an earlier stage. BORVOR has adopted a Green Environmental Policy, introduced environmental exclusions in lending, started tracking internal footprint indicators, and launched a green loan product covering selected uses such as sustainable agriculture, solar panels, sanitation improvements, and recycling-related activities. Further development would require Specific, Measurable, Achievable, Relevant, Time-bound (SMART) targets, climate risk mapping, environmental risk categorization, regular reporting, and clearer implementation procedures for green lending.

Growth target setting would also benefit from stronger supporting analysis. BORVOR would benefit from more documented assessment of market saturation, demand, and client segments. More systematic use of segmented client data would support management in assessing outreach, financial behaviour, client outcomes, and potential borrower stress across different client groups.

SPI Online

SPI ONLINE - SOCIAL AND ENVIRONMENTAL DASHBOARD SPI5 FULL

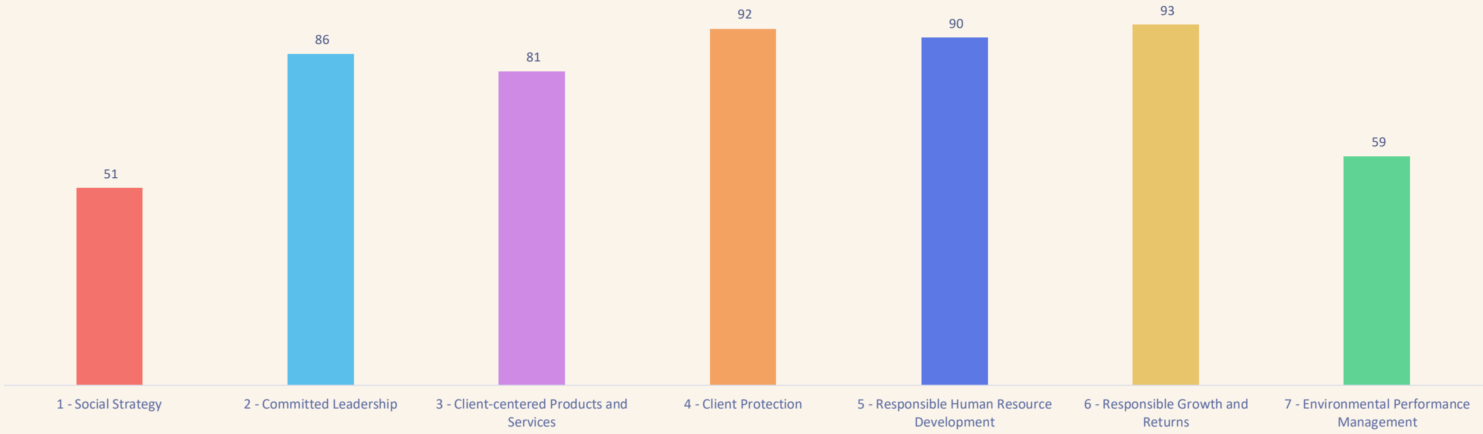
BORVOR FINANCE PLC		Pathway	SPI5
KHM		Tool	SPI5 FULL
Legal form	Non Bank Financial Institution	Methodology:	ASAQ
Currency used in the report (in 3-letter currency code)	USD	Data as of date:	2026-03-31

MISSION STATEMENT

BORVOR provides affordable financial services to low-income families, especially women, responsive to their needs to improve their living standard.

SCORE BY DIMENSION

79



CONTEXT

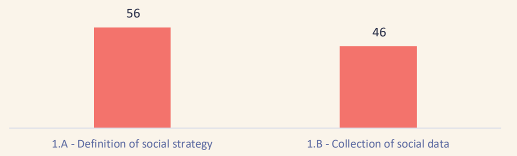
Total number of clients	2,248	Number of branches	10	Number of staff	102
Number of active borrowers	2,248	Branches in rural areas	5	Number of management staff	6
Women borrowers	1,488			Number of board members	5
				Number of women board members	1

FINANCIAL INFORMATION

Total Assets, volume, currency used in the report	7,504,080	Financial Expense Ratio (as a % of average GLP)	1.80	PAR >30 + rescheduled (%)	25.50
Amount of Gross Loan Portfolio in the currency used in the report	6,709,528	Operating Expense Ratio (as a % of average GLP)	14.50	Write-offs (during the period) (%)	0.00
Return on Assets (%)	0.80	Operational Self-Sufficiency (%)	105.30	Net Loan Loss Expense ratio (as a % of average assets)	0.02
Return on Equity (%)	1.20	Nominal Portfolio Yield (%)	17.20		

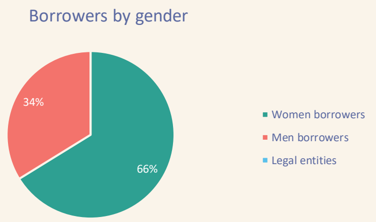
FOCUS ON DIMENSION 1

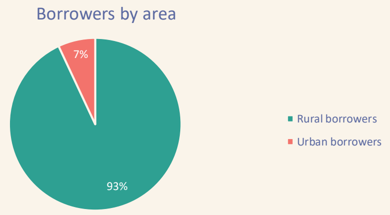
SCORE BY STANDARD



Average loan size (USD)	**2,985**

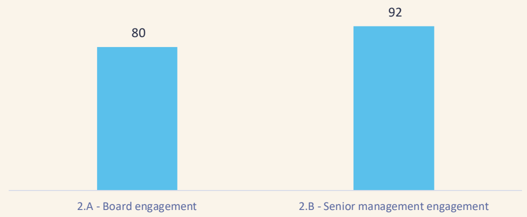
FOCUS ON TARGETING





FOCUS ON DIMENSION 2

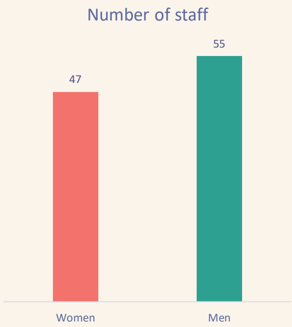
SCORE BY STANDARD

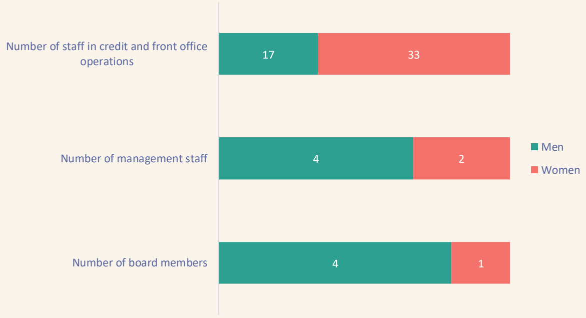


BOARD ENGAGEMENT

SPM champion or committee within the Board	**Partially**

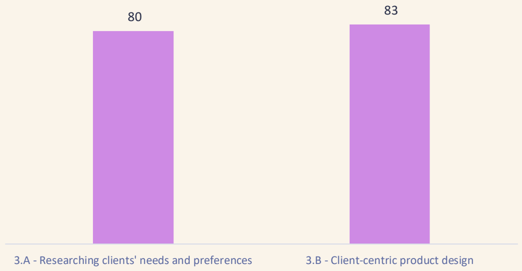
FOCUS ON STAFF DIVERSITY





FOCUS ON DIMENSION 3

SCORE BY STANDARD



FOCUS ON PRODUCT DIVERSITY

Microenterprise loans	**Yes**
SME loans	**N/A**
Loans for agriculture	**Yes**
Loans for education	**N/A**
Emergency loans	**Yes**
Housing loans	**N/A**
Consumer loans	**Yes**
Microleasing	**N/A**

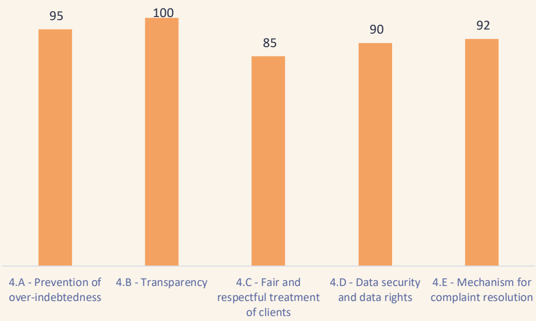
Mobile / digital products	**No**
Insurance product(s) offered	**No**
Other financial services offered	**Yes**
Non financial	**Yes**
Savings	**No**
Number of voluntary savers	**N/A**
Amount of total deposits in the currency used in the report	**N/A**

FOCUS ON CLIENTS' SATISFACTION

The provider conducts client satisfaction surveys. Minimum frequency: every other year	**Yes**
The provider offers training to clients in areas where they have skill gaps that prevent them from achieving their goals.	**Partially**
Borrower retention	**90%**

FOCUS ON DIMENSION 4

SCORE BY STANDARD



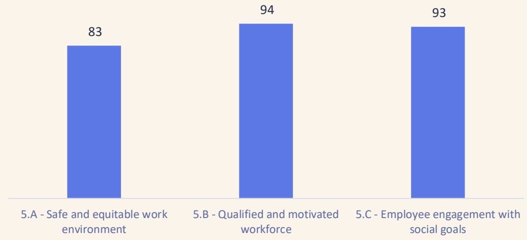
FOCUS ON CLIENT PROTECTION INDICATORS

PAR >30 + rescheduled (%)	**25.5**
CP-Compliant code of Conduct	**Yes**
CP-Compliant key facts document provided to the clients	**Yes**
How many complaints has the provider received in the last 3 months?	**0**
Of these complaints in the last 3 months, how many have been resolved?	**N/A**

Joined the Client Protection Pathway	**Yes**
Certification level	**N/A**
Date	**N/A**

FOCUS ON DIMENSION 5

SCORE BY STANDARD

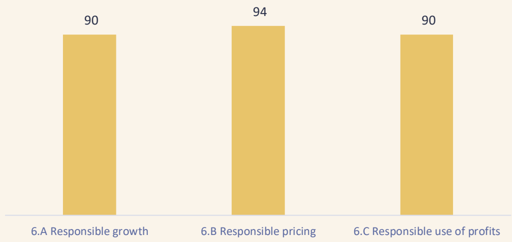


FOCUS ON STAFF PROTECTION

Employee satisfaction survey conducted	**Yes**
Employee turnover ratio	**4%**
Employee productivity	**45**

FOCUS ON DIMENSION 6

SCORE BY STANDARD

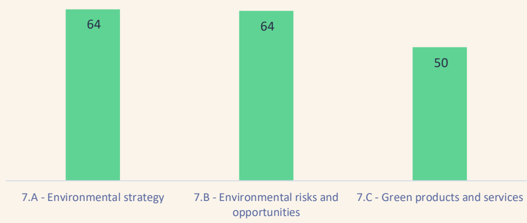


FOCUS ON RESPONSIBLE PRICING

Average APR of the loan portfolio	**20**
How does the provider calculate the interest rate of its most representative loan product?	**Declining balance interest method**

FOCUS ON DIMENSION 7

SCORE BY STANDARD



FOCUS ON ENVIRONMENTAL PERFORMANCE

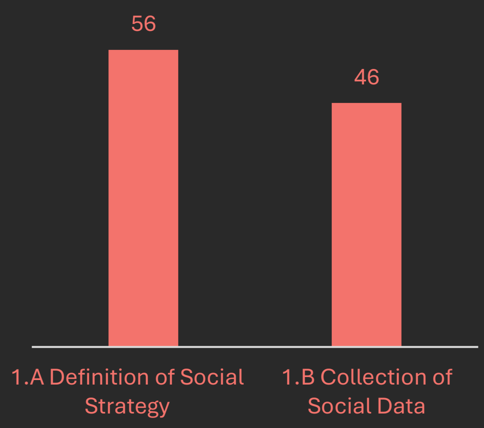
Nb of staff trained on environmental performance management	**2**
Total hours of trainings on environmental performance management (staff x hours of "green" training)	**10**
Identification of clients' vulnerability to climate change and environmental degradation	**Partially**
Identification of clients' adverse impacts on the environment	**Partially**

Dedicated green loan products	**Yes**
Green loan portfolio	**27314**
Nb of partnerships with specialized organizations	**N/A**

DIMENSION 1 – SOCIAL STRATEGY

Dimension 1 of the SPI5 social audit assesses the institution's capacity to design and implement strategies aimed at achieving its social objectives. This includes the accurate identification of the target population, the establishment of clear and achievable goals, and the planning of specific methods to reach them.

It also examines the organization's preparedness to mitigate potential risks, such as negative impacts on clients, human rights violations, and corruption. Additionally, this dimension analyses the existence of mechanisms to measure and monitor progress through concrete indicators, as well as the level of transparency in communicating results both internally and externally.



Standard 1.A The provider has a strategy to achieve its social goals.

BORVOR has articulated a social mission centred on poverty alleviation and improving living standards among low-income households, particularly women and rural populations. The Business Plan identifies these segments using demographic and socioeconomic characteristics and reinforces this focus through quantitative outreach targets, including the proportion of women borrowers, rural clients, and low- and lower-middle-income clients.

The strategy clearly defines the client segments BORVOR intends to serve and establishes a relevant social orientation. To strengthen this further, BORVOR could translate broad objectives such as poverty alleviation and improved living standards into more specific descriptions of the expected changes in clients' lives. These could include intended improvements in income growth, resilience to shocks, asset accumulation, business performance, or employment creation, as well as clearer differentiation of how each target segment is expected to benefit.

BORVOR's Business Plan outlines products and operational measures aligned with its social intent, including credit services, an internal loan protection mechanism, client protection practices, borrower awareness initiatives, complaints-handling mechanisms, and risk controls to reduce potential harm to clients. The strategy would be strengthened by a concise theory of change explaining how these products and services are expected to contribute to measurable improvements in clients' economic or social conditions, including the causal links between financial services, client use, client behaviour, and intended outcomes.

Standard 1.B The provider collects, analyses, and reports data that are specific to its social goals.

BORVOR collects client-level and social performance information through several mechanisms, including client satisfaction surveys, surveys assessing clients' understanding of loan terms, monthly exit surveys, income classification of clients, client visits, and the 2025 client outcomes study conducted with 60 Decibels. These tools provide qualitative and quantitative information on client profile, outreach, service experience, understanding of loan conditions, exit reasons, and perceived changes in clients' lives.

The AOP and KPIs framework define data collection activities, responsible staff, timeframes, targets, and reporting outputs. Analysis could be strengthened by disaggregating client outcomes by demographic profile and financial behaviour and integrating social performance data within the MIS to support combined analysis with financial and client-level data.

Selected social performance information is available on its website. BORVOR could strengthen accountability and transparency by conducting external social audits at least every three years and publishing social performance information annually.

Improvement opportunities and recommended actions for Dimension 1

Clarification of expected client benefits: Translate social objectives, such as poverty alleviation and improved living standards, into specific and measurable dimensions of change for each target segment. This may include defining intended improvements in income stability, asset accumulation, business performance, employment generation, or resilience to shocks.

Development of a concise theory of change: Incorporate within the strategic framework a structured explanation of how BORVOR's products and services are expected to contribute to those client benefits. This should describe the anticipated causal pathway linking financial services, client use, behavioural changes, and intended economic or social results.

Strengthening of outcome indicators and targets: Convert the defined client benefits into SMART outcome indicators and set at least two client outcome targets to be measured annually, ensuring that all stated social goals are supported by measurable indicators.

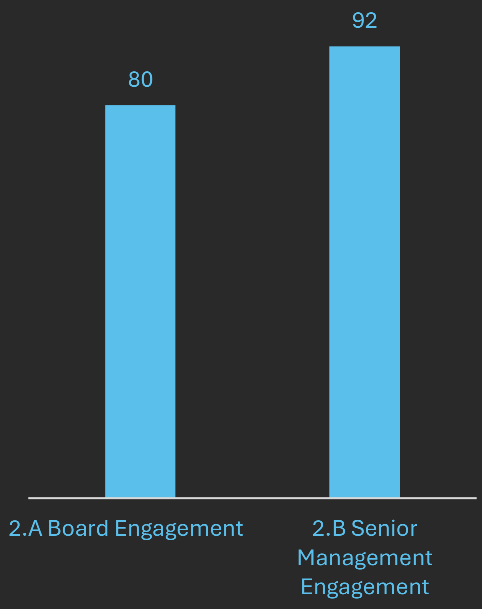
Strengthening of social performance data management: Consolidate the existing data collection practices into a clearer framework covering responsibilities, frequency, methodologies, validation, and use of social performance and client outcomes data.

Integration and segmentation of outcomes analysis: Integrate client outcomes data into the MIS, or as an interim step use periodic data exports and simple reporting tools, to allow combined analysis with financial data and systematic segmentation by demographic profile and financial behaviour.

Regular external review and reporting: Establish a periodic cycle for external social audits and implement an annual public reporting practice that includes key social performance indicators and client outcomes findings.

DIMENSION 2 – COMMITTED LEADERSHIP

Dimension 2 of the SPI5 social audit assesses the responsibility of the Board of Directors and Senior Management in fulfilling the organization's social objectives. It examines the Board's capacity to oversee and hold management accountable, ensuring that strategic decisions remain aligned with the institution's social mission. It also reviews whether management integrates social goals into planning processes, makes decisions based on both financial and social data, and acts effectively during crises to protect clients and employees.



Standard 2.A Members of the board of directors hold management accountable for achieving the provider's social goals.

BORVOR's Board demonstrates active engagement in the oversight of institutional performance. Board minutes reflect regular review of portfolio quality, internal audit findings, fraud investigations, green lending, and compliance with credit policies that incorporate client protection principles. Internal Audit reports directly to the Board, and follow-up actions are discussed in subsequent meetings. The Board also includes members with experience relevant to BORVOR's target clientele, gender representation exceeds minimum expectations, and governance discussions reflect attention to financial stability and operational risks that may affect clients.

Formal social performance governance at Board level could be further strengthened. BORVOR does not currently maintain a dedicated SPM committee, and structured Board training on social goals, social governance responsibilities, and the Universal Standards is not yet documented. While the Board reviews several client-related and environmental matters, including selected social targets reflected in institutional planning, client outcomes data could be presented more systematically and in greater depth, at least annually, to support oversight of progress against social goals. Accountability mechanisms could also be strengthened by linking part of Chief Executive Officer (CEO) compensation to the achievement of social objectives.

Standard 2.B Senior management is responsible for implementing the provider's strategy for achieving its social goals.

Senior management integrates elements of social responsibility into operational decision-making and annual planning. The AOP includes client outreach targets for borrower growth, women borrowers, rural clients, and low- and lower-middle-income clients, as well as activities related to client protection and responsible service delivery. These activities include the client protection self-assessment, assessments of clients' understanding of loan terms and conditions, exit survey monitoring, client satisfaction follow-up, client visits, and client training. Portfolio quality, credit risk indicators, internal audit findings, and fraud cases are also actively monitored, with corrective actions implemented when weaknesses are identified.

While the AOP includes client-related targets and social performance activities, client-level changes in living standards are not yet measured as part of a structured, recurring decision-making process within annual planning cycles. The framework does not yet systematically track outcome dimensions such as income growth, asset accumulation, resilience to shocks, employment generation, or broader improvements in household wellbeing. Performance evaluation frameworks include some social performance elements, but accountability could be strengthened by further linking senior management objectives and incentives to defined social outcomes.

Improvement opportunities and recommended actions for Dimension 2

Formalize social governance structures: Consider establishing a dedicated SPM committee or formally integrating social performance oversight into an existing Board or management committee with defined responsibilities.

Board capacity building: Introduce structured training for Board members on social goals, governance responsibilities related to social performance, and the USSEPM.

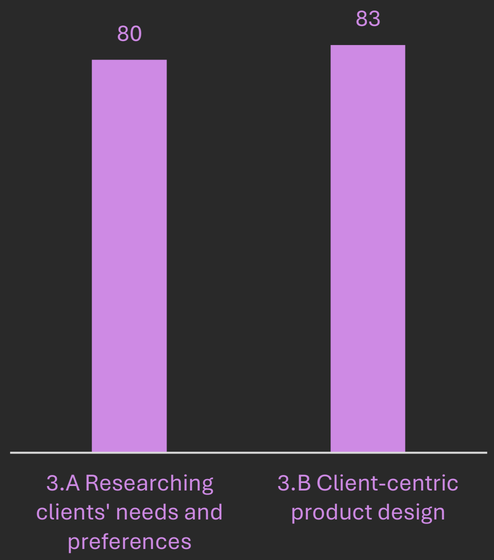
Link executive compensation to social objectives: Assess the possibility of linking part of CEO and senior management compensation or bonuses to the achievement of defined social performance objectives.

Institutionalize client outcomes reporting: Present structured and segmented data on client-level changes in living standards to the Board at least annually to support strategic decision-making.

Enhance corrective action tracking: Document and monitor corrective measures taken in response to unmet social targets or potential mission-drift risks, in addition to existing follow-up on credit, audit, and operational risks.

DIMENSION 3 – CLIENT-CENTERED PRODUCTS AND SERVICES

Dimension 3 of the SPI5 social audit examines how the financial institution collects and uses data to understand and meet clients' needs. It assesses whether the process includes market research and pilot testing to develop new products and services, and whether the institution takes into account clients' demographic profile, needs, and challenges to adapt its offerings. This dimension also reviews how client feedback is used to continuously improve products, services, and delivery channels, ensuring their relevance and accessibility.



Standard 3.A The provider collects and analyses data to understand clients' needs.

BORVOR collects a range of information relevant to understanding its target clientele. The institution conducts competitor reviews before product introduction, maintains client segmentation, and monitors transactional indicators such as portfolio size, loan amounts, repayment performance, and Portfolio at Risk (PAR). Internal Audit conducts post-disbursement client checks covering loan use, amount received, repayment process, receipts, and client experience. Client satisfaction and client understanding surveys are conducted on an alternating quarterly basis and applied to clients who receive a loan during the relevant period. BORVOR also conducts client exit surveys to capture reasons for client departure and identify potential areas for product or service improvement. Findings from these tools are submitted to the CEO and Board.

The use of data remains mainly operational. Market research focuses primarily on competitor comparison and does not yet include structured analysis of market share, saturation levels, or potential demand by geographic area. The Product Suitability Policy defines a formal pilot-testing framework, including testing protocols, branch and client sample definition, KPIs, baselines, monitoring timelines, and post-pilot decision-making. The framework is well defined, but evidence of implementation in recent product launches or significant product changes remains less developed.

Standard 3.B The provider's products, services, and channels benefit clients.

BORVOR offers loan products with variations in loan size, tenor, and repayment schedule, including seasonal repayment structures aligned with agricultural income cycles. Loan sizes support access for low- and lower-middle-income clients, while business-oriented loans enable productive investment. Emergency loans and general-purpose loans provide flexibility for household needs. Collateral policy provisions prohibit acceptance of assets essential to a borrower's main source of income, and title documents are returned upon full repayment.

BORVOR provides clients with information and guidance on loan policy, product features, its internal loan protection mechanism, household financial management, borrower responsibilities, and green policy. Loan terms and repayment obligations are explained before contract signature and during disbursement, including additional support for clients who cannot read. Client feedback is collected through satisfaction surveys, client understanding surveys, exit surveys, and complaints mechanisms, and BORVOR reported examples of service delivery improvements informed by this feedback. Service delivery remains primarily branch- and field officer-based.

Documentation could be strengthened on how client feedback and analysed client data are used to refine products, services, delivery processes, and client communication. Accessibility could also be improved by expanding delivery channels and monitoring transaction costs faced by clients. Foreign currency lending is monitored mainly from a regulatory and portfolio perspective, and credit officers verbally explain foreign exchange risk to clients. In relation to collateral, BORVOR uses land and house titles as security. Even where titles are not enforced through sale or legal execution in practice, retaining them until full repayment can represent a significant burden for clients, particularly where the secured asset is important for household security or future financial decisions.

Improvement opportunities and recommended actions for Dimension 3

Structured market assessment and pilot implementation evidence: Assess market share, saturation, and geographic demand before product launch, and document pilot implementation through pilot reports showing the sample used, locations covered, KPIs monitored, feedback collected, and adjustments made before rollout.

Improve segmentation and use of client data: Deepen the analysis of client and transactional data by demographic and socioeconomic segments, including gender, age, rural/urban location, income level, sector, loan size, repayment performance, and product usage patterns.

Documented feedback-to-design process: Continue strengthening the documentation of how client feedback and analysed client data are used to refine products, services, delivery processes, and client communication.

Expand delivery channels: Assess opportunities to reduce client transaction costs through additional delivery channels, including digital repayment options or other accessible mechanisms suited to clients' digital literacy and rural location.

Strengthen client guidance and capacity-building: BORVOR provides some client awareness through credit officers, including on client responsibilities, the rural household economy, and green policy. However, the guidance remains limited and could be strengthened with more practical, structured content on financial planning, business management, enterprise growth, and household resilience, tailored to the needs of target client segments.

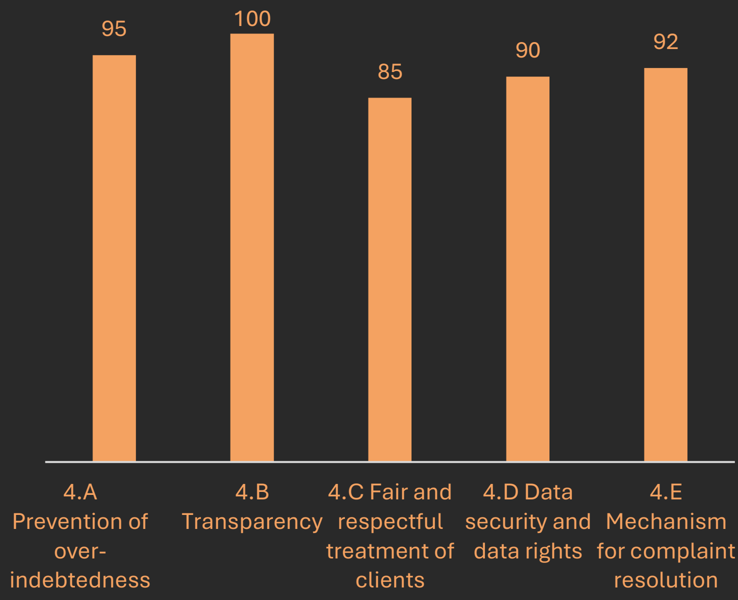
Strengthen safeguards for foreign currency lending: Introduce written procedures to confirm that loan officers explain foreign exchange risk to clients using simple cost scenarios and assess whether clients have income in the relevant currency before approving foreign currency loans.

Strengthened collateral safeguards: Review the list of assets and documents that may be accepted as collateral, including land titles linked to the borrower's residence or assets essential to household security, to ensure that pledged collateral would not create severe hardship or undermine income-generating capacity.

Collateral value threshold: Consider reviewing the Collateral Policy to align collateral requirements with client protection standards, ensuring that the required collateral value does not exceed 200% of the loan amount.

DIMENSION 4 – CLIENT PROTECTION

Dimension 4 of the SPI5 social audit assesses how the financial institution works to protect its clients. This includes its capacity to prevent client over-indebtedness and to provide clear and timely information that supports clients in making informed financial decisions. It also examines how the institution ensures fair and respectful treatment and handles complaints and grievances efficiently. In addition, this dimension reviews how the institution protects client data confidentiality and adequately informs clients about their rights regarding the use of their personal information.



Standard 4.A The provider does not over-indebt clients.

BORVOR has a structured credit appraisal and monitoring framework that supports over-indebtedness prevention. Loan officers assess repayment capacity using household and business cash-flow information, existing obligations, and CBC checks, while loan approvals require review beyond the direct client relationship. The Credit Policy requires monthly disposable income to cover at least 170% of total monthly debt payments.

BORVOR allows early repayment, while loan renewal and refinancing are subject to a new cash-flow analysis and require at least 70% of the existing loan to be repaid. Portfolio quality is monitored regularly by management and the Board, and BORVOR applies a 5% PAR threshold for monitoring purposes. The risk register shows that PAR changes, vulnerability to external shocks, and sector concentration are recognized and followed up. The framework could be strengthened by systematically disaggregating portfolio quality and repayment indicators by client segment and documenting predefined corrective actions when PAR thresholds or other risk triggers are breached.

Standard 4.B The provider gives clients clear and timely information to support client decision making.

BORVOR provides loan contracts, repayment schedules, and a Customer Information Table before signature, disclosing loan amounts, pricing, repayment schedules, and key contractual terms in Khmer. Effective Interest Rate (EIR) calculations are included in contractual documentation, and pricing information is explained verbally by loan officers. Clients receive signed copies of contracts and transaction receipts. After each payment, cashiers issue a receipt and record the payment on the client's repayment schedule. Clients can also request updated account balance information at branch level at no cost. Internal Audit and client understanding surveys further verify whether clients understand key loan terms and conditions.

Although key disclosure information is included in contracts and related documentation, product information is not systematically published across multiple public channels.

Standard 4.C The provider enforces fair and respectful treatment of clients.

BORVOR has formal policies setting expectations for ethical conduct and respectful treatment of clients. The Product Suitability Policy and related internal rules prohibit coercive sales, misleading promotion, client intimidation, physical force, public humiliation, and visits or calls at inappropriate hours. Staff interviews confirmed Code of Conduct refresher training and progressive disciplinary measures for misconduct.

The compensation structure reduces pressure on front-line staff, as fixed salaries represent the main component of remuneration and incentives are relatively limited. Staff performance is monitored through both growth and portfolio quality indicators, including number of clients, loan outstanding, PAR, arrears, and write-offs. Internal Audit also conducts post-disbursement client checks covering loan use, amount received, repayment process, receipts, and client experience.

Collection practices are based mainly on negotiation and follow-up with clients in arrears, with restructuring used in cases of client distress. Interviews indicate that legal action or collateral sale has not been used in practice, although land titles may be retained until full repayment.

Standard 4.D The provider secures client data and informs clients about their data rights.

BORVOR maintains written Information Technology (IT) and confidentiality policies governing access, storage, and sharing of client information. System access is role-based, user credentials are periodically updated, and controls include activity logs, antivirus and firewall protection, backups, and restoration checks. Access for former employees is blocked, and IT controls are reviewed periodically, including through an external IT audit conducted in 2025. The Risk and Compliance function provides an additional layer of review over policy compliance, including client confidentiality and data-handling requirements.

Client consent is obtained before credit bureau consultation and third-party data sharing, with signed consent documents retained in client files. Explanations are provided in Khmer at the time of consent, and the client understanding survey verifies whether clients understood and authorized the use of their information. BORVOR also guides clients on protecting personal and loan-related information during disbursement and repayment interactions, including reminders to keep contracts, repayment schedules, and receipts safely.

BORVOR informs clients of their rights to obtain or correct personal data through the Privacy Rights Notice included in the loan application form, which allows clients to submit a written request. Client communication could be reinforced to improve awareness of these rights.

Standard 4.E The provider receives and resolves client complaints.

BORVOR operates a formal Consumer Complaints Management Policy defining multiple accessible and free complaint channels, including branch-level submission, complaint boxes, telephone, email, digital messaging platforms, and direct contact with designated safeguarding personnel. Complaint procedures define severity levels and escalation pathways, including referral to senior management for serious cases. Complaints are registered using standardized forms, recorded at branch level, and retained for monitoring and reporting purposes. Policy timelines require acknowledgment within two days and resolution within defined periods. BORVOR reported no complaints in the last three months.

Strengthening opportunities relate primarily to monitoring and analytical use of complaint data. Confirmation of receipt and resolution notifications are required by policy, but monitoring of compliance with these communication standards is not clearly documented. Evidence of structured management review of aggregated complaint KPIs is also limited.

Improvement opportunities and recommended actions for Dimension 4

Product information channels: Publish product information, including interest rates, penalty fees, and loan sizes, more systematically through accessible public channels such as the company website or digital messaging channels.

Penalty fee communication: Strengthen client-facing explanation of penalty fees during loan interactions, even where these fees are already disclosed in policy and contract documents.

Segmented monitoring and corrective action triggers: Disaggregate portfolio quality and repayment indicators by client segment to identify potential over-indebtedness patterns among specific groups, and document predefined corrective actions when PAR thresholds or other risk triggers are breached.

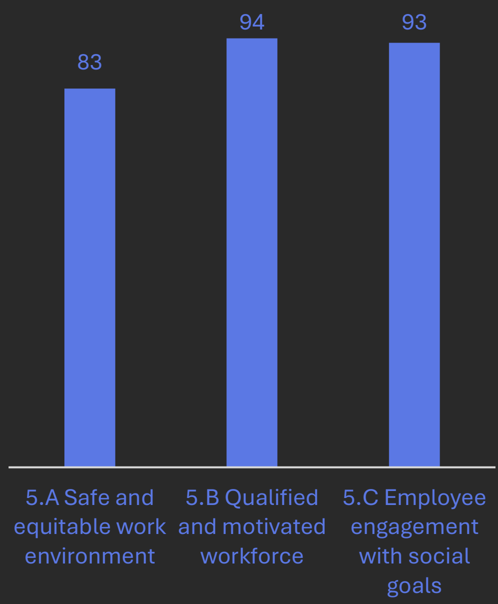
Sales monitoring: Define aggressive-sales risk indicators that trigger additional review, and document follow-up actions where unusual sales or client treatment risks are identified.

Client data rights: Strengthen verbal communication with clients on their right to review or correct personal data and, where applicable, withdraw permission for its use.

Complaint monitoring and analysis: BORVOR has not received formal complaints recently, although it receives client suggestions through its feedback channels. Once formal complaints are received, the complaints process could be further strengthened through disaggregated reporting, trend analysis, management review of complaint KPIs, and documentation of corrective actions and resolution communications.

DIMENSION 5 – RESPONSIBLE HUMAN RESOURCE DEVELOPMENT

Dimension 5 of the SPI5 social audit assesses how the financial institution manages its human resources. This includes its ability to create a fair and equitable work environment and the effectiveness of its human resource management system in attracting and retaining a qualified and motivated workforce. It also examines whether the institution's human resource development system adequately supports its social strategy, ensuring alignment between organizational objectives and staff professional growth.



Standard 5.A The provider creates a safe and equitable work environment.

BORVOR has a Human Resource Policy & Procedures Manual, Code of Conduct, and Safeguarding Policy that define work rules, disciplinary procedures, and expected standards of professional behaviour. Employment relationships are formalized through written contracts in accordance with Cambodian labour law, and statutory benefits, including National Social Security Fund coverage and maternity leave, are provided.

Grievance mechanisms are available through line management, Human Resources (HR), safeguarding reporting channels, and staff representatives established in line with labour law, allowing employees to raise concerns and escalate complaints. Anti-harassment provisions are clearly articulated, and a zero-tolerance approach to harassment, exploitation, and abuse is established through safeguarding commitments.

Remuneration is structured by position and grade, with salary scales and grades accessible to all staff and salary adjustments linked to performance assessments. Base pay for front-line staff complies with applicable Cambodian labour requirements.

BORVOR promotes equal and respectful treatment in recruitment, employment, promotion, and access to training. The HR Policy includes equal employment opportunities without discrimination based on gender, race, religion, origin, or ethnicity. The non-discrimination policy does not explicitly list all protected categories referenced in the assessment.

The institution operates under a general risk management framework and maintains a Business Continuity Plan addressing emergency and disaster response. Employees are covered for work-related injuries in accordance with national requirements.

Standard 5.B The provider's Human Resource Development system is designed to attract and maintain a qualified and motivated workforce.

BORVOR provides formal employment documentation, including written employment contracts, position-specific job descriptions, and information on salary, benefits, incentives, leave, overtime, and social protection rules through the HR Manual and related policies. A formal annual performance appraisal process is in place, with staff responsibilities used as the basis for supervision and performance evaluation. The Staff Annual Performance Appraisal includes a development plan section to address weaknesses and support employee capacity development.

New employees receive orientation and job-specific onboarding, supported by a three-month probation period and guidance from supervisors or senior staff. Training and capacity-building opportunities are provided across roles, including onboarding, compliance, operational, and role-specific training. These opportunities are available to both women and men.

BORVOR provides channels for workplace concerns and feedback, including line management, HR, senior management, and confidential grievance channels. It also conducts annual anonymous employee satisfaction surveys covering workplace conditions, management, co-worker relations, salary and benefits, and capacity development. Survey results are documented, compared with prior-year results, and include staff suggestions for improvement. BORVOR also provided examples of actions taken in response to staff feedback, including training on revised policies and procedures, reinforced communication procedures for branch-managed asset transfers, and an operational adjustment to loan terms for certain loan sizes in response to staff concerns about market competitiveness and client needs.

Standard 5.C The provider's Human Resource Development system supports its social strategy.

BORVOR's recruitment and onboarding processes are aligned with its social mission and target clientele. Recruitment assesses candidates' local context, experience, integrity, client service orientation, willingness to work with rural clients, and suitability for operational roles. New client-facing employees complete a three-month probation period with on-the-job exposure and supervision, allowing BORVOR to assess both technical skills and commitment to serving target clients. All employees sign the Code of Conduct and Safeguarding Code of Conduct, with induction training reinforcing expected conduct.

BORVOR provides client protection training to relevant staff. The 2025 training plan includes responsible lending, product suitability, product pricing, credit risk management, credit crisis management, operational risk, and prohibited debt collection practices. These topics cover key client protection areas, including repayment capacity analysis, avoidance of aggressive sales, transparent explanation of pricing and terms, debt collection practices, confidentiality, data sharing, and fraud risks. Complaints handling is addressed through the Consumer Complaints Management Policy and safeguarding channels, although staff understanding of the complaint system and resolution timelines could be further reinforced.

Performance appraisal and incentive systems include criteria linked to client protection and social performance. Branch Manager and Credit Officer KPIs include PAR, write-offs, customer retention, internal audit results, inaccurate loan documents, complaints received, and complaints resolved. Growth of active borrowers is assessed within BORVOR's defined target market, while customer retention and documentation quality provide additional indicators of service quality and responsible client management. Incentive-related risks are mitigated by the limited role of variable pay, the emphasis on portfolio quality and controls, and regular monitoring through internal audit, client feedback, complaints, staff satisfaction, and employee exit analysis.

Improvement opportunities and recommended actions for Dimension 5

Employee representation: Document in the HR Policy how employee representatives consult with management on HR policies, working conditions, and staff concerns.

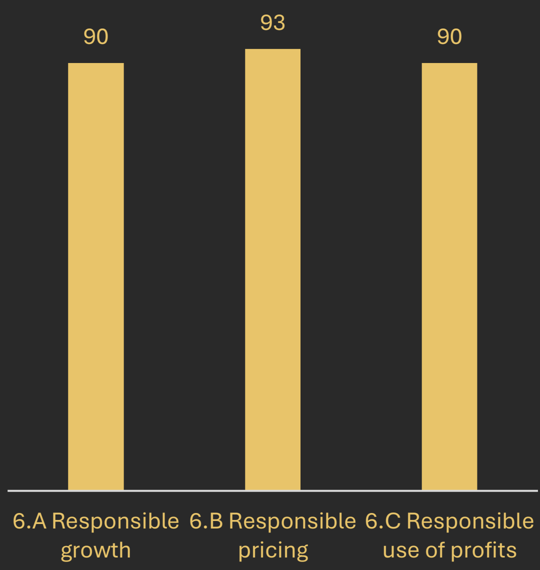
Reinforce social goals training: Strengthen refresher training on BORVOR's social goals and clarify how each role contributes to achieving them.

Clarify complaints handling timelines for staff: Ensure that relevant staff know and consistently communicate complaint acknowledgment and resolution timelines to clients.

Strengthen the non-discrimination policy: Update the non-discrimination policy to explicitly include all relevant protected categories, including sexual orientation and political affiliation or opinion.

DIMENSION 6 – RESPONSIBLE GROWTH AND RETURNS

Dimension 6 of the SPI5 social audit assesses whether the financial institution's growth and returns are responsible. This includes managing growth to ensure it is aligned with the institution's social objectives and to minimize risks for clients. It also analyses how profits are used, verifying whether they are allocated to initiatives that benefit clients and support the institution's social goals. In addition, this dimension evaluates the transparency of the institution's financial and social structure, as well as its pricing policy and cost transfer practices toward clients.



Standard 6.A The provider manages growth in a way that promotes its social goals and mitigates risks to clients.

BORVOR monitors growth and portfolio risk through regular management, Board, and branch-level reporting. The AOP, KPI framework, and Branch Manager KPIs show that growth is reviewed together with portfolio quality, client retention, complaints, staffing capacity, and audit results. The risk register also identifies over-indebtedness, portfolio concentration, client vulnerability to external shocks, and inappropriate loan use as key risks. Internal Audit and management follow-up provide additional controls through branch reviews, loan visits, and corrective actions when portfolio quality deteriorates.

Growth management could be strengthened by documenting how growth targets are informed by market-level analysis. BORVOR monitors growth, risk, and branch performance, but there is limited evidence of systematic analysis of market saturation, market share, or demand capacity by geographic area before setting or adjusting growth targets.

Standard 6.B The provider sets prices responsibly.

BORVOR's pricing framework is defined in the Credit Policy and Product Pricing Policy, with interest rates set within the applicable regulatory framework and supported by regular financial monitoring of funding costs, operating costs, portfolio quality, and institutional sustainability. Interest is calculated on a declining balance based on outstanding principal, and amortization schedules reflect this approach. The institution does not apply prepayment penalties, provides transaction receipts and balance information at no cost, and calculates penalty interest only on outstanding principal.

BORVOR's practices include several client protection safeguards. Loan interest does not continue to accrue beyond the maximum arrears period, and loans in serious arrears are subject to non-performing classification, full provisioning, and write-off treatment. Clients receive repayment schedules and pricing information during loan contracting and disbursement, while EIRs are included in contractual documentation.

Standard 6.C The provider uses profits responsibly.

BORVOR's Board formally reviews and approves profit allocation decisions. Annual audited financial statements are publicly available, and external evaluation results are disclosed to stakeholders. Governance discussions reflect attention to retained earnings and financial stability, indicating prudent financial oversight.

The institution does not maintain a standalone dividend policy specifying predefined conditions, limits, or safeguards linking dividend distribution to preservation of social goals. Documentation also does not demonstrate systematic or material allocation of profits toward client-benefiting investments such as price reductions, scaled non-financial services, or community-level initiatives.

Improvement opportunities and recommended actions for Dimension 6

Market-level growth analysis: Strengthen the growth-setting process by documenting market saturation, market share, and demand capacity by geographic area before setting or adjusting branch-level growth targets.

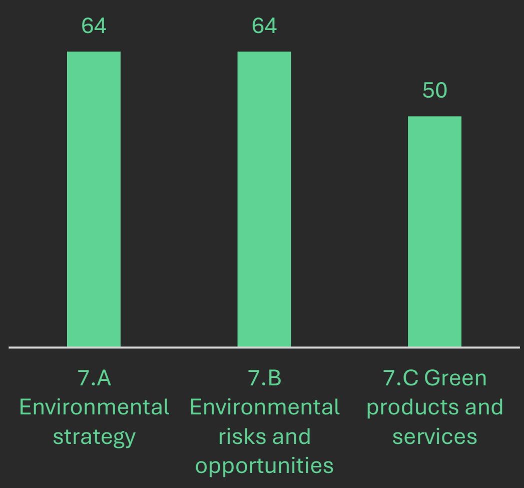
Client-segmented demand analysis: Complement geographic analysis with segment-level research on demand, indebtedness, and saturation by key client groups, such as gender, activity type, income level, and rural/urban location, and use this to inform product-level growth targets.

Dividend policy: Establish a standalone dividend policy defining conditions, limits, and safeguards to ensure that profit distribution does not undermine BORVOR's social goals, financial stability, or capacity to serve target clients.

Client-benefiting use of profits: Document how profits are used to benefit clients or communities, including investments in social performance management, client protection, non-financial services, price reductions, or community-level initiatives.

DIMENSION 7 – ENVIRONMENTAL PERFORMANCE MANAGEMENT

Dimension 7 assesses the management of environmental performance. This includes examining whether the institution has an environmental strategy and established systems for its implementation, including data collection, analysis, and monitoring of environmental performance. It also evaluates whether the institution identifies and manages environmental risks and opportunities, both internal and client-related. In addition, this dimension reviews whether the institution offers a range of financial and non-financial products and services to achieve its environmental objectives.



Standard 7.A The provider has an environmental strategy and systems in place to implement it.

BORVOR has a documented environmental strategy through its Green Environmental Policy, Environmental, Social, and Governance (ESG) framework, and related credit policy provisions. These documents set out environmental objectives covering the institution's own footprint, avoidance of environmentally harmful activities, promotion of green practices, and integration of environmental screening into lending. Environmental compliance is embedded in credit appraisal through exclusion lists and restrictions on activities involving serious environmental harm, pollution, deforestation, or prohibited substances.

The strategy defines indicators covering staff and client training, resource use, policy integration, and green loan uptake. Roles and responsibilities are assigned at Board, CEO, management committee, internal audit, branch, credit, HR, administration, and procurement levels. In addition, green loan tagging is available in the core banking system, covering renewable energy, energy efficiency, clean transportation, WASH, recycling, and organic fertilizer.

The main gaps relate to measurement, reporting, and use of environmental data. Indicators are not consistently linked to SMART targets, baselines, deadlines, or expected reduction levels. BORVOR monitors its own environmental footprint and screens client activities, but does not yet systematically quantify client vulnerability to climate change, clients' adverse environmental impacts, or the proportion of the portfolio exposed to environmental risks.

Governance and training arrangements could also be strengthened. BORVOR has assigned environmental responsibilities and completed a Green Index 3.0 self-assessment, but evidence of recurring annual internal and external environmental reporting remains limited. Board and management use of environmental performance data for strategic decisions is not yet systematic, and training on environmental roles and responsibilities is not yet structured across Board, management, and staff levels.

Standard 7.B The provider identifies and manages environmental risks and opportunities.

BORVOR has started to identify and manage environmental risks through its Green Environmental Policy, Business Continuity Plan, Credit Policy, ESG framework, and exclusion lists. At institutional level, BORVOR identifies its own environmental impacts, including energy, water, paper, transport, and waste, and has defined measures to reduce these impacts. The Business Continuity Plan also provides procedures for disaster response, business continuity, communication, evacuation, IT recovery, backup restoration, and staff responsibilities.

At client level, environmental risk management is mainly integrated into credit appraisal. BORVOR screens client activities through exclusion lists and compliance checks, particularly for activities involving pollution, deforestation, prohibited chemicals, or other serious environmental harm. High-risk prohibited activities are excluded from financing. However, the approach remains largely binary and compliance-based, rather than a structured environmental risk classification system applied across the portfolio.

BORVOR has started to identify selected green financing opportunities, including sustainable agriculture, solar panels, sanitation improvements, and recycling-related activities. Selected initiatives, such as the biochar pilot, provide practical evidence on sustainable agriculture, but remain limited in scale. Green lending remains at an early stage, and opportunity analysis is not yet systematic across technologies, sectors, or client segments.

Several areas require further development. BORVOR has not yet conducted dedicated climate risk mapping of its headquarters and branches, including branch-level likelihood, impact, and vulnerability to climate shocks. Client vulnerability to climate change and environmental degradation is considered during appraisal, but is not yet consolidated by geography, sector, or client segment. Clients' adverse environmental impacts are screened mainly through exclusions, without portfolio-level analysis of exposure to greenhouse gas emissions, pollution, biodiversity risks, waste, or land degradation. BORVOR does not yet apply a consistent green taxonomy or clear environmental criteria across green practices and technologies, and market research for green practices remains limited beyond selected initiatives.

Standard 7.C The provider offers financial and non-financial products and services to achieve its environmental goals.

BORVOR has started to offer financing for selected green uses, including sustainable agriculture, solar panels, sanitation improvements, and recycling-related activities. These activities remain at an early stage and represent a small share of the portfolio. Restructuring and rescheduling are available under exceptional circumstances, although climate shocks and natural disasters are not yet explicitly defined as eligible cases in the procedure.

The green product framework could be further developed. Financial conditions are not yet clearly differentiated by green practice or technology, and verification of green loan use relies mainly on standard loan-use checks rather than a dedicated green loan verification process. Documentation of costs, expected benefits, and return on investment is available for selected initiatives, but is not yet developed across all green categories.

BORVOR has implemented some environmental awareness and capacity-building activities, including field-level guidance and selected pilot activities related to sustainable agriculture. These efforts remain limited in scale and are not yet institutionalised as a broader environmental awareness or capacity-building programme across the client base.

Improvement opportunities and recommended actions for Dimension 7

Formalize environmental targets: Define clear baselines and time-bound targets for the environmental indicators already included in the Green Environmental Policy to strengthen performance measurement and accountability.

Environmental risk categorization: Introduce a formal environmental risk classification framework within the credit appraisal process to move beyond exclusion-based screening toward differentiated risk management.

Climate risk mapping: Conduct a climate risk assessment for headquarters and branches, covering key hazards, likelihood, impact, and institutional vulnerability by branch or area of operation.

Green loan implementation: Strengthen the recently launched green loan product by clarifying eligible uses, environmental criteria, loan-use verification, and monitoring procedures.

Environmental reporting: Establish regular internal and external reporting on environmental performance, including internal footprint indicators, green lending, environmental screening results, and progress against targets.

Environmental training by role: Structure environmental training for Board, management, and staff according to their respective responsibilities, including governance oversight, implementation, credit appraisal, monitoring, and client communication.

Scale environmental client support: Expand awareness and technical capacity-building beyond selected agricultural initiatives to increase outreach across the broader client base.

Partnerships: Formalize relevant technical partnerships where they are used to support green practices, including roles, responsibilities, duration, and follow-up arrangements.

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