



**GUIDELINES ON REPORTING OF SUSTAINABILITY RELATED RISKS AND
OPPORTUNITIES FOR BANKS AND FINANCIAL INSTITUTIONS, 2025**

BANK OF TANZANIA

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	PART I PRELIMINARY PROVISIONS
Citation	1. These guidelines shall be cited as Guidelines on Reporting of Sustainability Related Risks and Opportunities for Banks and Financial Institutions, 2025.
Authorization	2. These guidelines are issued under Section 71 of the Banking and Financial Institutions Act, 2006.
Application	3. These guidelines shall apply to all banks and financial institutions.
Interpretation	<p>4. In these guidelines, unless the context otherwise requires:</p> <p>“Act” means the Banking and Financial Institutions Act, 2006;</p> <p>“Bank” means the Bank of Tanzania;</p> <p>“bank” has the same meaning ascribed to it in the Act;</p> <p>"Board" means the Board of Directors of a bank or financial institution;</p> <p>“financial institution” has the same meaning ascribed to it in the Act;</p> <p>“material information” information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting bank or financial institution;</p> <p>"no-cost retail checking accounts" refers to accounts that do not charge monthly maintenance fees regardless of account balance and have no minimum account balance requirement;</p> <p>“primary users” refers to existing and potential investors, lenders and other creditors who must rely on general purpose financial reports for much of the financial information they need;</p> <p>“stake holders” refers to primary users, policy makers, capital markets, civil societies and other general public;</p>

	<p>“sustainability-related risks and opportunities” means risks and opportunities that could reasonably be expected to affect a bank or financial institution’s cash flows, its access to finance or cost of capital over the short, medium or long term due to interactions between a bank or financial institution and its stakeholders, society, the economy and the natural environment throughout its value chain;</p> <p>" unbanked customer" means a person that does not maintain a current or savings account with a bank or financial institution who may rely on alternative financial services;</p> <p>" Underbanked customer" means a person who has an account with a bank or financial institution but regularly uses alternative financial service providers;</p> <p>"underserved customer" means a person who is unbanked, underbanked or otherwise has limited access to mainstream financial services;</p> <p>“Report by Those Charged with Governance” means information presented in a section of report by those charged with governance in the audited financial statements, which indicates the main trends and factors underlying the developments, operations, performance, financial position and cash flows of an entity during the financial year and those which are likely to affect the entity’s future developments, operations, performance, financial position and cash flows.</p>
Introduction	5. Reporting on sustainability-related risks and opportunities is crucial as the ability of a bank or financial institution to generate cash flows over the short, medium and long term is linked to the interactions with its stakeholders, the economy and the natural environment that forms an interdependent system throughout its value chain.
Objective	6. These Guidelines are intended to guide banks and financial institutions to disclose information on sustainability-related risks and opportunities that is useful to primary users and other stakeholders of general-purpose financial reports in making decisions relating to providing or acquiring resources, policy making and other activities relating to a particular bank or financial institution.

	PART II GOVERNANCE STRUCTURE AND OVERSIGHT
Governance	<p>7. Banks and financial institutions shall establish:</p> <ul style="list-style-type: none"> (i) the governance body, which may include a board, committee or equivalent body charged with governance or individual responsible for oversight of sustainability-related risks and opportunities; and (ii) Internal processes, controls, and procedures to identify, assess, monitor, manage and report sustainability-related risks and opportunities.
Disclosure of the Board's Responsibilities	<p>8. Banks and financial institutions shall disclose information about how the Board:</p> <ul style="list-style-type: none"> (i) clearly reflects roles and responsibilities for sustainability-related risks and opportunities in the terms of reference, mandates, role descriptions and other related policies; (ii) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability related risks and opportunities; (iii) is informed about sustainability-related risks and opportunities; (iv) considers sustainability-related risks and opportunities when overseeing a bank or financial institution's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the Board has considered trade-offs associated with those risks and opportunities; and (v) oversees the setting of targets related to sustainability related risks and opportunities, and monitors progress towards targets and whether the performance metrics are included in remuneration policies.
Disclosure of Senior Management's Responsibilities	<p>9. Banks and financial institutions shall disclose whether:</p> <ul style="list-style-type: none"> (i) the role related to management of sustainability related risks and opportunities has been assigned to a specific committee or management level and how the oversight is being implemented; and (ii) controls and procedures are in place to support the oversight of sustainability-related risks and opportunities and how these controls are integrated with other internal functions.

	PART III STRATEGY
Strategy	10. Banks and financial institutions shall establish a strategy for managing sustainability related risks and opportunities.
Disclosures on strategy	11. Banks and financial institutions disclosures on strategy shall at minimum include information about: <ul style="list-style-type: none"> (i) sustainability-related risks and opportunities in terms of short, medium and long-term time horizons; (ii) current and anticipated effects of sustainability-related risks and opportunities on the business model and value chain including concentration levels; (iii) how a bank or financial institution has responded or plan to respond to sustainability-related risks and opportunities in its strategy and decision-making including trade-offs between sustainability-related risks and opportunities; (iv) current and anticipated effects of sustainability-related risks and opportunities on a bank or financial institution’s financial position, financial performance, and cash flows over the short, medium and long term; and (v) the resilience of the deployed strategy and business model to sustainability-related risks.
	PART IV RISK MANAGEMENT
Risk Management Processes	12. Banks and financial institutions shall establish internal processes to identify, assess, prioritise, and monitor sustainability-related risks and opportunities and integrate the processes into the overall risk management framework.
Disclosures on Risk Management Processes	13. Banks and financial institutions shall disclose risk management processes, which at minimum include information about: <ul style="list-style-type: none"> (i) The processes and policies on sustainability related risks and opportunities that shall at minimum include: <ul style="list-style-type: none"> a) deployed parameters and inputs; b) the method such as scenario analysis used by a bank or financial institution to inform its identification of sustainability-related risks; c) assessment of the nature, likelihood and magnitude of the effects of those sustainability-related risks which may include qualitative factors and/or quantitative thresholds; d) how a bank or financial institution prioritises sustainability-related risks in comparison to other types of risk; e) how a bank or financial institution monitors sustainability-related risks; and

	<p>f) whether and how a bank or financial institution has changed the processes it uses compared with the previous reporting period.</p> <p>(ii) the processes that a bank or financial institution uses to identify, assess, prioritise, and monitor sustainability-related opportunities; and</p> <p>(iii) the extent to which a bank or financial institution has integrated the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities into the overall risk management process.</p>
	<p>PART V</p> <p>METRICS AND TARGETS</p>
Metrics and Targets	14. Banks and financial institutions shall establish metrics and set targets used to measure performance and monitor sustainability related risks and opportunities towards attaining sustainability related targets set by a bank or financial institution and any target that may be required by law.
Disclosure of Metrics	15. After development of metrics, the bank or financial institution shall disclose information about: <ul style="list-style-type: none"> (i) source of metrics used other than IFRS sustainability disclosure standards; (ii) how the metric is defined including whether the metric is an absolute, relative to other metrics or a qualitative measure; (iii) whether the metric is validated by an independent party and, the name of the independent party; (iv) the method and inputs used to calculate the metrics including limitations and assumptions; (v) data security, including: <ul style="list-style-type: none"> a. number of data breaches; b. percentage that are personal data breaches; c. number of account holder affected; and d. description of approach to identifying and addressing data security risks. (vi) financial inclusion and capacity building, including: <ul style="list-style-type: none"> a. number and amount of loans outstanding that qualify for programmes designed to promote small business and community development; b. number and amount of past due and non-performing loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development;

	<ul style="list-style-type: none"> c. number of no-cost retail checking accounts provided to previously unbanked or underbanked customers; and d. number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers. <p>(vii) incorporation of Environmental, Social, and Governance (ESG) factors in Credit Analysis including a description of approach to incorporation of ESG factors in credit analysis;</p> <p>(viii) business ethics including:</p> <ul style="list-style-type: none"> a. total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations; and b. description of whistle-blower policies and procedures. <p>(ix) systematic risk management including description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities.</p>
Disclosure of Targets	<p>16. For each target, a bank or financial institution shall disclose information about:</p> <ul style="list-style-type: none"> (i) the metric used to set the target and to monitor progress towards reaching the target; (ii) the specific quantitative or qualitative target; (iii) the timeframe over which the target applies; (iv) the base period from which progress is measured; (v) any milestones and interim targets; (vi) performance against each target and an analysis of trends or changes in performance; and (vii) any revisions to the target and an explanation for revisions.
	<p>PART VI REPORTING TIMELINE</p>
Reporting Timeline	<p>17. Banks and financial institutions shall report sustainability-related financial disclosures for the same reporting period as its annual audited financial statements.</p>
	<p>PART VII COMPLIANCE</p>
Statement of compliance	<p>18. Banks and financial institutions shall make an explicit and unreserved statement of compliance to the requirements of IFRS Sustainability Disclosure Standards.</p>

	PART VIII LOCATION OF DISCLOSURES
Location of disclosures	19. Banks and financial institutions shall provide disclosures required by these Guidelines as part of its Report by Those Charged with Governance.
	PART IX GENERAL PROVISIONS
Compliance	20. (1) The Bank through its supervisory tools shall ensure the compliance of banks and financial institutions to the provisions of these guidelines; and (2) Non-compliance with the provisions of these guidelines shall lead to supervisory corrective actions as stipulated in the Act and related Regulations.
Implementation	21. Banks and financial institutions shall implement these guidelines as outlined in Annex 1 of these guidelines.

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