STANBIC HOLDINGS PLC

SUSTAINABILITY REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

PARTNERING FOR **GROWTH**

Stanbic *IT CAN BE*™

A member of Standard Bank Group

STANBIC HOLDINGS PLC
Sustainability Report 2022

"This report presents disclosures regarding our organisation's environmental, social, and governance (ESG) risks and how we manage these risks with a focus on the present and future perceived risks to the business."

Contents

Purpose of this report

This report outlines our sustainability journey, approach, strategy and reports on Stanbic Holdings PLC and its subsidiaries' sustainability related progress and performance for the financial year 2022 in both Kenya and South Sudan.

Stanbic Holdings PLC is a banking and finance service provider whose headquarters are in Nairobi Kenya. Subsidiaries under ownership of Stanbic Holdings PLC include Stanbic Kenya Foundation, Stanbic Bank Kenya Limited, Stanbic Bancassurance Intermediary Limited and SBG Securities Limited. Our sustainability report is intended to supplement our 2022 Integrated Annual Report by providing a comprehensive overview of our sustainability strategy, commitments, and achievements in 2022.

This report presents disclosures regarding our organisation's environmental, social, and governance (ESG) risks and how we manage these risks with a focus on the present and future perceived risks to the business. The Sustainability Report further highlights how our ESG approach is linked to our Social, Economic, and Environmental (SEE) drivers, and how these enable us to create opportunities and drive the socio-economic growth of Kenya and South Sudan. This narrative is framed against our contribution made to selected United Nations Sustainable Development Goals. The information presented in this report covers the sustainability performance of Stanbic Holdings PLC Kenya and its subsidiaries in both Kenya and South Sudan.

While our parent company, Standard Bank Group, established the principles by which our ESG risk management and SEE impact objectives are tracked, our sustainability approach is grounded in our understanding of the Kenyan and South Sudanese contexts, informed by stakeholder engagement, and aligned with Kenyan as well as South Sudan regulatory requirements.

To see the group's 2022 Sustainability Report click **here**

To see our 2022 Integrated Annual Report click **here**

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We value your feedback and welcome any comments or suggestions regarding this report or our sustainability performance. Please get in touch with us via email:

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This report has been prepared in accordance with the internationally recognised sustainability reporting standards, Global Reporting Initiative (GRI), aligning with the guidelines set out by the Nairobi Securities Exchange (NSE). The report outlines our short-, medium-, and long-term material issues that are important for both us and our stakeholders.

Our Sustainability Report is also guided by the Task Force on Climate-Related Financial Disclosure (TCFD) guidelines, which provides recommendations for improving the quality, consistency, and comparability of climate-related financial disclosures. By aligning content to the TCFD, we further align to the Central Bank of Kenya (CBK) requirements to disclose our approach to managing climate risk.

As a signatory to the Principles for Responsible Banking (PRB) and soon to be signatory to the United Nations Global Compact (UNGC), the information within this report allows for comparison of the commitments made as members of these organisations. Additionally, we take into account other relevant frameworks, such as the, International Finance Corporation Performance Standards (IFC Performance Standards), United Nations Guiding Principles on Business and Human Rights, prevailing environmental regulations in Kenya and South Sudan as well as sector-specific regulations. As a subsidiary of Standard Bank South Africa, Stanbic also aligns with South African Reserve Bank requirements and laws such as the Common Monetary Area Code (CMA).

The Stanbic Board assumes ultimate responsibility for the integrity of this Sustainability Report. Our board is responsible for enhancing our corporate governance and culture as we transition towards a net-zero future.

The Sustainability Report has not undergone external assurance.

Message from the chairman

At Stanbic,
we believe that sustainability is not just a responsibility, but a driver of long-term
success.

Kenya continues to align its national and sectoral strategies as well as its policies in line with its Nationally Determined Contribution (NDC), indicating a strong commitment to sustainable development goals.

The estimated funding required for implementing Kenya's NDC in 2019/20 amounted to $62billion with Government committing to 13% of the funding it is incumbent on the private sector to close the financial gap[1]. At Stanbic, we play a key role in bridging this financing gap by mobilizing resources to support Kenya's development and providing innovative financing solutions to anchor our purpose. Driving Sustainable growth and value is one of our priorities and are aware that the development journey Kenya and South Sudan are on will require investment in our communities. As a responsible financial institution, we support this by supporting businesses, helping our clients save, invest, and grow while safeguarding their wealth. We commit to continue working with governments, business, and communities to find ways to develop, industrialize Kenya and South Sudan[2]. Our goal is to ensure we support development in a way that does not compromise and negatively impact the environment and society. Sustainability for us is not just a responsibility but a strategic priority, it is acknowledging that as growing and developing countries we face a myriad of challenges, making responsible decision paramount.

Climate change is emerging as one of the most pressing issues of our time, and we recognize the urgent need to address its impacts. We have undertaken thorough assessments to identify climate-related risks and opportunities, and we are committed to building resilience, reducing our environmental footprint, while also contributing to the transition to a low-carbon economy. We acknowledge the important role we play as a financial service provider both direct as well as indirect and are committed to engaging with our stakeholders, including customers, employees, investors, and regulators, with an aim to drive collective action along with create shared value. The challenges we face as Kenya and South Sudan reinforce our commitment to sustainability and the importance of integrating environmental, social, and governance (ESG) considerations into our strategy. At Stanbic, we believe that sustainability is not just a responsibility, but a driver of long-term success.

Our focus on economic growth, social development, and environmental stewardship enables us to create value for our stakeholders while mitigating risks also capturing opportunities. We are dedicated to managing the challenges presented by macroeconomic conditions, leverage on our partners and collaborate to drive our sustainability agenda.

To demonstrate our commitment, we have allocated dedicated resources and established a governance framework that supports this objective as well as our purpose. In addition, we have a fully established Foundation that spearheads the social and community activities by driving partnerships that emboldens our commitments to society. In this report you will note how we have enhanced our focus to mature ESG risk management and drive the commercial strategy, we will demonstrate how our investments along with our decisions impacted lives and communities. Transparency and accountability remain paramount to our sustainability efforts which is why we set clear goals that enable alignment between our strategic objectives and our ESG governance frameworks. By setting clear goals and metrics, we hold ourselves accountable for delivering tangible results but more importantly reporting on our progress.

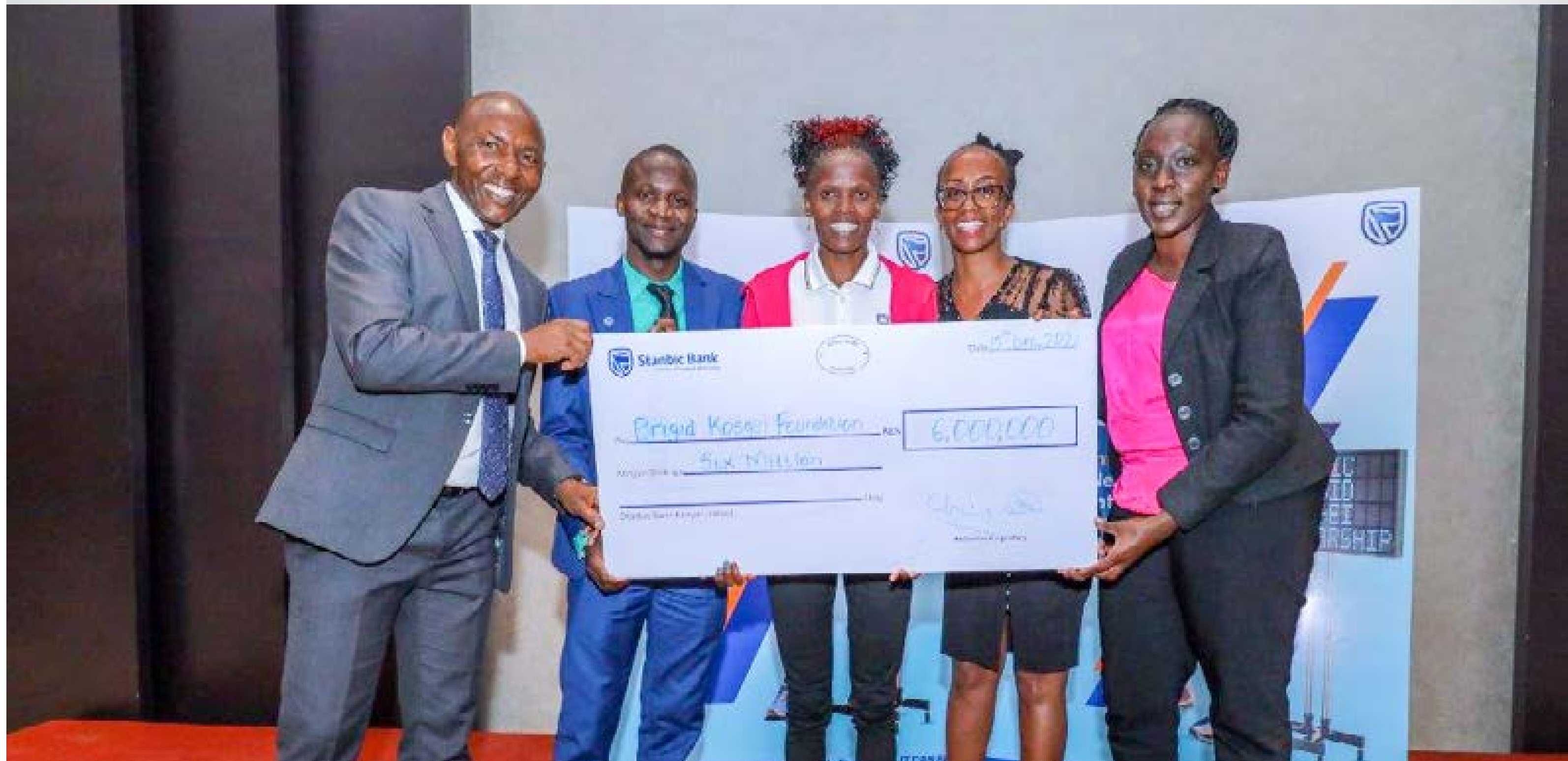
We understand the role that access to finance and financial education plays in empowering individuals and businesses, hence why our commitment to inclusive finance and financial literacy remains strong particularly in underserved communities. Our D.A.D.A proposition continues to provide financial inclusion and non-financial support to empower women-led businesses and stimulate economic growth. The initiative spearheaded by our Foundation is designed to stimulate job creation and economic growth while reducing gender inequalities. The signing of a Memorandum of Understandings with Government Departments and Donor Funders in 2022 showcases our dedication to empowering women as well as young girls both in Kenya and South Sudan. These partnerships are testament to our commitment to making a positive difference in communities where women encounter considerable obstacles.

In line with our commitment to sustainable development, we have focused on environmental conservation and natural resource management. We are investing in renewable energy projects, exploring energy-efficient solutions, and working towards reducing our carbon footprint. Our goal is to assist our clients to transition to a low-carbon economy and contribute to mitigating climate change impacts. As we navigate the path to recovery, we remain steadfast in our dedication to responsible banking and ethical practices. We believe that financial institutions have a critical role to play in driving positive change and promoting sustainable development. Our engagements with regulators, industry associations, and other stakeholders are guided by the principles of integrity, transparency, and good governance.

Our sustainability journey is not an isolated effort; we are working closely with our parent company Standard Bank to ensure our efforts are aligned across the continent. By collaborating and leveraging each other's capabilities, we can make a greater impact and overcome our limitations. We are proud of the progress we have made in integrating sustainability into our business strategy as well as operations at an organizational and group level. Our partnerships and collaborations have been instrumental in driving our sustainability agenda and creating positive impact. Together with our stakeholders, we have raised funds for SME's and initiated the Blue Economy Catalytic Fund to stimulate the blue economy in Kenya. These initiatives demonstrate our commitment to creating shared value and driving sustainable growth.

Our people are at the heart of our sustainability journey. We believe that empowering our employees is essential to achieving our commitments made to selected sustainable development goals. Through training and development programs, we equip our staff with the knowledge and skills to navigate an ever-changing world. We have invested significant resources in their personal and professional growth, recognizing that they are the key to driving innovation and delivering sustainable outcomes.

As we strive for excellence, we are mindful of the challenges and opportunities presented by an evolving business landscape. We continuously assess our risks, identify gaps, while also adapting our strategies to meet the changing needs of our stakeholders. Our sustainability framework provides a roadmap for managing environmental and social risks while maximizing societal benefits. We are committed to transparent reporting and disclosures, ensuring that our stakeholders are informed about our progress and impact. In conclusion, sustainability is integral to our business strategy and fundamental to our long-term success. By embedding sustainability into our operations, decision-making processes, and stakeholder engagements, we aim to shape a more sustainable future for Kenya and South Sudan. Together with our stakeholders, we can drive positive change, promote economic prosperity, and ensure a better future for all.



[1] https://www.afdb.org/en/countries-east-africa-kenya/kenya-economic-outlook
[2] https://www.afdb.org/en/countries/east-africa/south-sudan/south-sudan-economic-outlook

Message from the Chief Executive

By harnessing our collective strengths,

we believe it will create a better world for our clients, their communities and positively impact society.

In this report, we highlight how we have assessed our contribution including how we manage the inherent risks in our business and operating environment as we continue to live our purpose; to drive Kenya's and South Sudan's growth.

The unpredictability and uncertainty of the last couple of years driven by geopolitical challenges across the globe, lingering effects of the covid pandemic and the economic strain faced by most countries has elevated our focus on sustainability. These challenges have hastened our resilience planning, demanding we continuously review our business and operating models. We have had to think of how we can continue to deliver value to our shareholders, positively impact our environment and society while minimizing risks.

Further to these, the existential threat of climate change is eminent, in its annual Global Risk Report, the World Economic Forum this year forecasted that climate related risks will be a major risk factor and associated effects will be topical within this decade[1]. This view from the WEF reinforces the importance of business to adequately appreciate and recognise their role to both mitigate and adopt this threat we face. Considering this dynamic and context at Stanbic, we live our purpose to drive Kenya's and South Sudan's growth, in a manner that is both sustainable but most importantly inclusive. We strive to determine what can be done to make life better, easier and less uncertain for the communities in which we operate. Our business model and activities are designed and focused towards addressing the needs of the environments we operate in, by supporting individuals, businesses, governments as well as other entities to grow by enabling investing, saving, borrowing and insuring their business, properties including their families.

Through this we help to create employment opportunities, drive trade both locally and internationally, support infrastructure development, delivery of essential public services, which includes education and health while concurrently facilitating other productive economic activities. We acknowledge that we cannot do this alone. Through collaboration and partnerships with like-minded organizations working through the Stanbic Foundation we have been able to impact more lives. We are working with county governments, government entities, trade and industry associations, development partners, corporate entities among other stakeholders to catalyse inclusive socio-economic growth, promote environmental and climate awareness, in addition to fostering sustainable businesses in both Kenyan and South Sudan. By harnessing our collective strengths, we believe it will create a better world for our clients, their communities and positively impact society.

[1] World Economic Forum Global Risk Perception Survey 2022 -2023

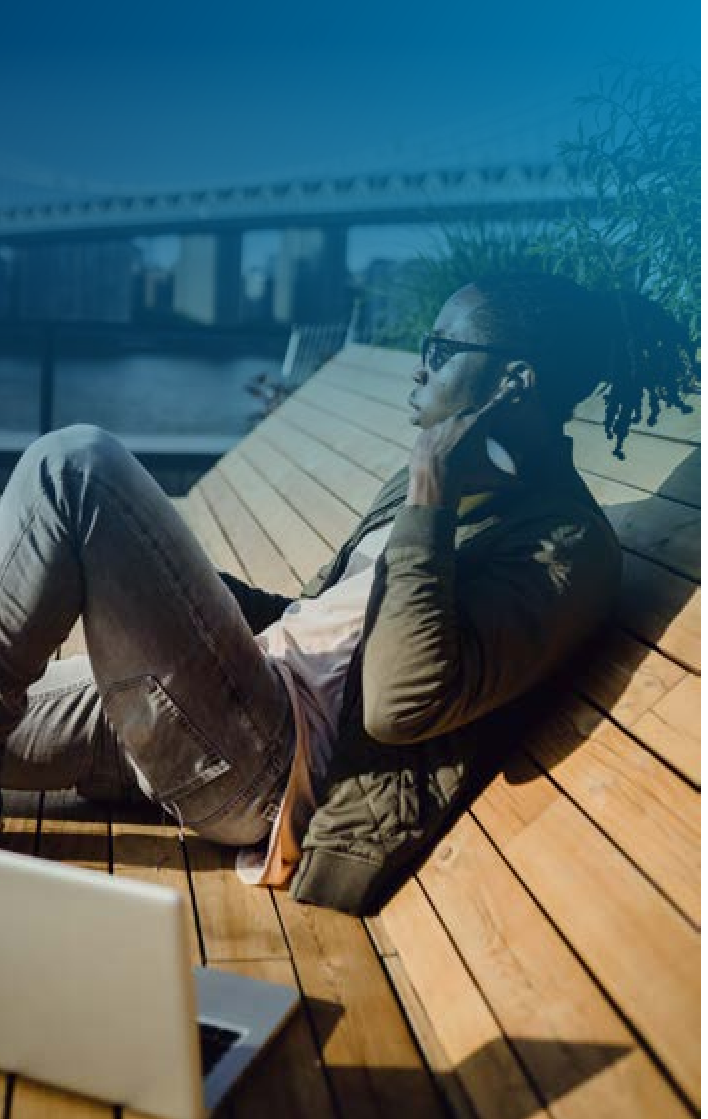
In all our endeavours we firmly believe that our commercial ambitions should never come at the expense of our socio-economic impact objectives. This commitment drives our responsible business practices, which are guided by our values and aspirations. It is an approach that helps us create shared value for all our stakeholders. In addition to this, we are keen to ensure that Environmental Social as well as Governance risks are effectively managed and embedded within our business operations. This is informed by our strategic value drivers, financial commitments, and how we measure our impact hand in hand with our progress. We have incorporated robust ESG risk management into our policies, processes, and governance structures across the enterprise, to ensure that we are able to drive sustainable growth while delivering Social Economic and Environmental (SEE) value across Kenya and South Sudan. Our SEE impact is measured across seven impact areas aligned and anchored around the United Nations Sustainable Development Goals (SDGs). These seven impact areas of Financial Inclusion, Job Creation and Enterprise development, climate change and sustainable finance, infrastructure, Trade and Investment, Education and Health, are based on our assessment of the areas in which we believe we have the greatest impact on society and the environment, in which we commit to maximise return and minimise harm.

The impact areas are grounded on relevance and alignment with our business activities to address the most pressing needs of the communities in both Kenya as well as South Sudan. Alongside these, we continue to factor and consider climate risks in our operations. Climate change and the conversations around the transition to lower carbon emissions by supporting mitigation in addition to adaptation strategies for our clients is a key focus for us in line with the central bank of Kenya guidelines released in October 2021. We have been on a journey to fully support our clients transition by enhancing our governance structures, developing internal capabilities to support our clients while simultaneously elevating awareness both internally and externally to all our stakeholders. To guide our decisions and activities, we continue to closely engage with our key stakeholders including the regulators, clients, partners, third parties and other stakeholders to ensure we understand their priorities, expectations along with their challenges, in order to create and deliver sustainable solutions on our journey towards net-zero.

Who we are

Stanbic Holdings PLC at a glance

Stanbic is a financial services organisation that caters to the diverse needs of our clients in both Kenya and South Sudan. With a rich history of over 100 years in the region, we leverage our strong local presence to empower our clients to unlock their socio-economic potential.



We are committed to providing tailored financial solutions that align with the evolving digital landscape while promoting sustainable development. Our intention is to promote stakeholder engagement with hopes of building meaningful relationships that support us in fulfilling our purpose, enhancing our brand, while meeting all regulatory and compliance requirements.

We are a member of the Standard Bank Group Limited, a leading African banking and financial services group with an operational footprint across 20 African countries. This affiliation strengthens our capabilities enabling delivery of comprehensive innovative services to our clients across Kenya and South Sudan. We are proud to be part of a trusted and respected institution that shares our commitment to excellence and customer-centricity.

Our purpose

Kenya/South Sudan is our home, we drive her growth.

Our vision

To be a leading financial services organisation in Kenya and South Sudan, delivering exceptional client experiences and superior value.

Our mission

Our success and growth over the long term is centred on making a difference in the communities in which we operate.

We are a client-centric, digitally enabled and a financial services organisation. We exist to make our clients' lives easier by assisting them to save, transact, grow wealth, expand their businesses while safeguarding what matters and much more. This is achieved by focusing on three strategic priorities namely being client centric, engaging employees and driving operational excellence. These three strategic priorities direct our medium-term strategic execution, as well as six strategic value drivers against which we measure our progress.

Our strategy

To execute our strategy, we utilise the capitals available to us to achieve our strategic objectives and create value for our stakeholders. Our strategy is executed through three strategic priorities prioritized to deliver our 2026 ambition.

Our purpose

Kenya and South Sudan is our Home, We drive her growth

Our strategic priorities

Transform client experience	Execute with excellence	Drive sustainable growth and value
Our client segments will: **Defend** our current client franchise and market positions. **Grow** as we capture opportunities, with specific focus on prioritised ecosystems.	Our Client Solutions, Engineering and Innovation capabilities will: **Deliver** innovative and cost-effective client solutions. **Partner** to drive value.	We will be purposeful in: Diligently **allocating resources**. Delivering **attractive shareholder returns**. Having a **positive impact**.

Value drivers

Client focus + Employee engagement | Risk and conduct + Operational excellence | Financial outcome = SEE impact

Our target outcomes

Growth and scale | Efficiency and resilience | Legitimacy

Our strategic approach

Consideration we make

Operating context
- Emerging trends
- Issues that impact our strategy
- Material risks
- Availability, quality, and affordability of capitals we deploy

Material matters
Our material issues are those that have an impact on our ability to create value in the short, medium, and long term

As we execute

Our strategy
Our strategy is a definitive guide on where we want to go, and importantly, how we intend to get there. Our strategic value drivers and SEE focus areas align our allocation of resources to our strategy. Furthermore, they help us measure our progress towards achieving our strategy

Our Strategic Priorities
- Transform client experience
- Execute with excellence
- Drive sustainable growth and value

Our strategic value drivers
- Client focus
- Employee engagement
- Risk and conduct
- Operational excellence
- Financial Outcome
- SEE impact

and organize our business

Our six capitals
The key inputs that enable value creation and preservation as discussed in our capital section:

Financial · Intellectual · Human · Manufactured · Social and relationship · Natural

Our delivery model
We secure the inputs required to transform, grow, innovate, and compete effectively.

We use these to deliver our target outcomes through the activities of the business and foundation for the benefit of all our stakeholders

to create sustainable value

Our stakeholders
- Our clients
- Our people
- Regulators and Government Bodies
- Shareholders
- Investment analysts
- Our communities

Value creation outcomes
- For our clients
- For our people
- For our stakeholders
- For the group
- For our shareholders
- For society

and impact

Our 7 Impact Areas
- Financial inclusion
- Job creation and enterprise development
- Sustainable finance and Climate change
- Infrastructure
- Trade and Investment
- Health
- Education

Our SDGs
SDG 3 GOOD HEALTH AND WELL-BEING · SDG 4 QUALITY EDUCATION · SDG 5 GENDER EQUALITY · SDG 7 AFFORDABLE AND CLEAN ENERGY · SDG 8 DECENT WORK AND ECONOMIC GROWTH · SDG 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · SDG 10 REDUCED INEQUALITIES · SDG 11 SUSTAINABLE CITIES AND COMMUNITIES · SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · SDG 13 CLIMATE ACTION · SDG 14 LIFE BELOW WATER · SDG 17 PARTNERSHIPS FOR THE GOALS

Our strategic priorities
The following strategic drivers are essential for us to realize our vision.

Client focus · Employee engagement · Operational excellence

Our strategic drivers
Our strategic drivers underpin everything we do.

Client focus
Client focus drives our culture, systems, and products, delivering optimal value while promoting employee well-being and accountability for societal benefit

Employee engagement
Our people's commitment and expertise drive stakeholder value, strategic implementation, relationship building, and reputation.

Risk and conduct
We maintain an ethical and values-driven brand and culture, supported by a robust governance framework and progressive ethical policies.

Operational excellence
By leveraging technology, we drive efficiency, improve access, and mitigate risks. Through data analysis, we identify areas for optimization and align with best practices in financial services.

Financial outcome
Given resource constraints, we prioritize focused and balanced capital allocation to drive growth, innovation, and operational efficiency.

SEE impact
We establish measurement and reporting systems to evaluate and mitigate the financial implications of interconnected sustainability risks.

Our SEE impact areas
We deliver Social, Economic and Environmental (SEE) impact by focusing on seven impact areas that are aligned with the United Nations Sustainable Development Goals (SDGs).

Financial Inclusion
We provide inclusive financial solutions that support economic development, reduce inequality, and empower individuals, entrepreneurs, and small enterprises.
SDG 5 GENDER EQUALITY · SDG 8 DECENT WORK AND ECONOMIC GROWTH · SDG 10 REDUCED INEQUALITIES

Job creation & enterprise development
We engage with clients of all sizes, providing tailored solutions and support for their growth, sustainability, and resilience.
SDG 8 DECENT WORK AND ECONOMIC GROWTH · SDG 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · SDG 17 PARTNERSHIPS FOR THE GOALS

Climate change & sustainable finance
We support Kenya and South Sudan in their transition to a low-carbon economy, promoting climate change mitigation and sustainable energy access for economic growth and poverty alleviation.
SDG 7 AFFORDABLE AND CLEAN ENERGY · SDG 11 SUSTAINABLE CITIES AND COMMUNITIES · SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · SDG 13 CLIMATE ACTION

Infrastructure
We support the development of sustainable and resilient infrastructure to enhance economic development while managing environmental and social risks.
SDG 7 AFFORDABLE AND CLEAN ENERGY · SDG 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · SDG 14 LIFE BELOW WATER

Trade & investment
We facilitate international trade and investment, providing clients with expertise in payments, trade finance, foreign exchange hedging, and risk mitigation for enhanced global market connectivity
SDG 8 DECENT WORK AND ECONOMIC GROWTH

Education
We enable inclusive education and lifelong learning through innovative finance solutions, employee development, and support for students and educational institutions in Kenya and South Sudan
SDG 4 QUALITY EDUCATION

Health
We invest in employee health, healthcare providers, infrastructure, and CSI programs to improve access to quality healthcare in Kenya and South Sudan
SDG 3 GOOD HEALTH AND WELL-BEING

Our purpose is the driving force behind our commitment to creating positive change and driving growth in Kenya and South Sudan. It is through our purpose that we align our efforts with the UN SDGs, which provide a comprehensive framework for addressing global challenges and promoting sustainable development. These linkages are summarised as follows:

Through our financial services, investments, partnerships, and initiatives, we aim to contribute to the achievement of these UN SDGs, working towards a better future for our communities and the broader region. Focusing on these impact areas and aligning our purpose with the SDGs allows us to strive to create meaningful and lasting change that addresses pressing societal challenges and promotes inclusive and sustainable development.

Our stakeholders

Stakeholder	
Our Clients	• Consumer and high net worth individuals • Business and commercial clients • Corporate and Investment Banking clients
Employees and their representatives	• Long-term employees • Short-term employees • Banking, insurance, and finance union
Regulators and government	• National Treasury • Central Bank of Kenya • Bank of South Sudan • Capital Markets Authority (CMA) • Securities Exchange • Bankers Associations • Insurance Regulatory Authority
Shareholders and investment analysts	• Investors • Shareholders • Analysts
Communities and civil society	• Corporate Social Investment beneficiaries • Suppliers/Partners • Media • Advocacy groups • General Public • Local Government

*For more on our business strategy refer to page 34-47 and 16 of the Stanbic Holdings PLC 2022 Integrated Annual Report.

Geographic scope of operations

We operates in Kenya and South Sudan. A snapshot of our footprint is provided as follows:

29 Branches

58 ATMs

857 Agent Outlets

Modernised Banking Platforms

*For an overview of the operating context 2022 please refer to page 38 and 39 of the Stanbic Holdings PLC 2022 Integrated Annual Report. For more on our footprint please refer to page 13 of the Stanbic Holdings PLC 2022 Integrated Annual Report.

Our products and services

Our purpose is contingent on our ability to meet the needs of our clients. In doing so, we create value through three main service lines:

Corporate and Investment Banking

Our Corporate and Investment Banking segment caters to a wide range of clients, including large companies, governments, institutional clients, and parastatals. We provide them with specialized expertise, access to global capital markets, and comprehensive support for advisory, transactions, trading, and funding needs.

Business and Commercial Clients

We offer a wide range of banking solutions tailored to meet the needs of small-to-medium-sized enterprises (SMEs) and commercial banking clients. Our comprehensive products and services enable our clients to efficiently transact, trade, and fund their businesses.

Consumer and High Net-Worth Clients

Our comprehensive range of personal banking and wealth management solutions, including insurance, investments, and advisory services, cater to the diverse needs of our consumer and high net-worth clients.

Corporate and Investment Banking (CIB)

Our corporate and institutional clients benefit from our extensive sector and regional expertise, specialised capabilities, and access to global capital markets. Under our CIB offerings, we provide:

Investment Banking

Investment banking services, allowing our clients to access project financing, advisory services, structured trade finance, corporate lending, primary markets and property finance.

Transactional Banking and Services

Our transaction banking and investor services empower our clients with efficient and secure financial operations.

Global Markets

Our Global Markets service Includes foreign exchange and debt securities trading.

CIB activities aim to create a positive socio-economic and environmental impact in three areas. Our goal is to support sustainable development, foster responsible business practices, as well as contribute to the growth and prosperity of the regions we serve.

Sustainable Finance and Climate Change
We actively promote sustainable finance practices and support initiatives with the potential to address climate change challenges within Kenya and South Sudan. Our expertise enables us to provide innovative financing solutions for sustainable projects and investments.

SDG 7 Affordable and Clean Energy
SDG 8 Decent Work and Economic Growth
SDG 10 Reduced Inequalities
SDG 11 Sustainable Cities and Communities
SDG 13 Climate Action
SDG 14 Life Below Water
SDG 17 Partnerships for the Goals

Infrastructure
We recognise the importance of infrastructure development for economic growth. Through our solutions, we support the financing and implementation of infrastructure projects that contribute to regional sustainable development.

SDG 7 Affordable and Clean Energy
SDG 9 Industry, Innovation and Infrastructure

Trade and Investment
We facilitate trade and investment flows by offering comprehensive solutions that enhance cross-border trade, mitigate risks, and foster economic growth. Our services cover trade finance, documentary collections, guarantees, advisory support and much more.

SDG 8 Decent Work and Economic Growth
SDG 17 Partnerships for the Goals

*For more details on our CIB service offerings visit our Stanbic Holdings PLC 2022 Integrated Annual Report pages 12 and 67 respectively.

Business and Commercial Clients (BCC)

Within BCC we understand that our clients require comprehensive and innovative banking solutions to support their operations and to facilitate growth. We offer a range of products and services tailored to meet their specific requirements. Clients have access to:

Transactional Products and Services
Transactional products and **services** that enable efficient financial operations.

Lending
We also provide **lending** services to support business expansion and investment.

Deposit Taking
Our **deposit taking** facilities ensure secure and convenient fund management.

Digital banking Solutions
As part of our commitment to digital innovation, we offer advanced **digital banking solutions** that empower businesses to manage their finances conveniently and securely.

Vehicle and Asset Finance
Our **vehicle and asset financing** solutions enable clients to acquire the necessary assets to service and grow their operations.

Trade Finance
Trade finance facilitates international trade transactions with innovative trade finance solutions. We also have a dedicated China desk to support businesses engaged in trade between China and our operating regions.

To address the broader societal challenges, our BCC activities are aligned with the following SEE impact areas and SDGs.

Financial Inclusion
We actively promote financial inclusion by providing accessible banking services and tailored solutions to underserved businesses and individuals, thereby fostering inclusive economic growth.

SDG 5 Gender Equality
SDG 8 Decent Work and Economic Growth
SDG 10 Reduced Inequalities

Job Creation & Enterprise Development
We recognise the vital role of businesses in job creation and enterprise development. Through our support and financing solutions, we aim to facilitate business growth, which in turn contributes to job creation and economic development.

SDG 8 Decent Work and Economic Growth
SDG 9 Industry, Innovation and Infrastructure
SDG 10 Reduced Inequalities
SDG 16 Peace, Justice and Strong Institutions
SDG 17 Partnerships for the Goals

Health
We understand the significance of a healthy workforce and community. By supporting healthcare initiatives and providing financing options for healthcare-related businesses, we contribute to improving access to quality healthcare services.

SDG 3 Good Health and Well-Being

Education
Education is a fundamental driver of economic and social progress. We support educational institutions and initiatives that enhance access to quality education, empowering individuals and communities to thrive.

SDG 4 Quality Education

*For more on our BCC service offerings visit our 2022 IAR on pages 12 and 68

Consumer and High Net-Worth Clients (CHNW)

We provide various platforms that offer a wide array of banking products and services to this customer segment. A summary of these products and services on offer are provided as follows:

Diaspora Banking	For our diaspora clients, our Diaspora Banking service provides a seamless digital account opening experience. By opening a Diaspora Account, clients can earn competitive interest rates with our short and long term deposits.
Executive Banking	Our Executive Banking offering provides a suite of exclusive benefits. With income protection features such as retrenchment cover and Income Protect, executive banking clients can gain peace of mind knowing that they're financially protected. Additionally, we provide access to loans, including Mortgage Finance and Salary Advances, ensuring that they are able to meet their financial needs during times of need.
Mobile & Internet Banking	Our mobile and internet banking services allow our clients to conveniently manage their accounts anytime, anywhere. We have also established digital self-service centres that are accessible 24/7 throughout the country's we operate.
Smart Direct Account	Our Smart Direct Account offers income protection and life insurance. This provides our clients with essential coverage while supporting them manage their finances effectively.
Wealth Growing Offering	Private tailored solutions for those seeking wealth growing offerings. Our Private Banking Current Account is designed to meet a range of individual requirements.
Private Banking	Our Private Banking Current Account aims to bring joy to banking by providing exclusive and customized solutions to enhance your banking experience. We also have specialized propositions, such as Private Banking for doctors, providing comprehensive services tailored specifically for medical professionals.
On the Go Banking	Pay as You Go options offer flexibility and cost-effectiveness. With minimal monthly fees, clients can access personalized services and tailored offerings that align with their specific needs at a fraction of the cost. Clients are able to enjoy transactional banking services, including payments by cheques, bank transfers, debit card payments, drafts, or online transfers, and pay only when they transact.
Bundled Banking	For a bundled banking experience, our Private Banking Bundled Account provides personalized service and tailored offerings offers an opportunity to benefit from our expertise and dedicated support as we assist our clients in achieving their financial aspirations.
Transactional Products and Services	Our transactional products and services that enable seamless financial operations.
Deposit Taking and Lending	Deposit taking facilities for secure fund management along with lending solutions to meet personal financing requirements.
Vehicle and Asset Finance	We offer vehicle and asset financing options to assist clients in acquiring assets they desire.
Insurance	To address the diverse financial needs of our clients, we offer insurance solutions to protect our clients' assets and well-being.
Mortgages	Our mortgage offerings are designed to support home ownership aspirations and investment solutions to help grow in hopes to diversify our clients' portfolios.

As part of our aim to empower commitment to creating a positive impact, our Consumer and High Net-Worth banking activities align with the following SEE impact areas and SDGs:

Trade and Investment

We actively support trade and investment activities by providing financial solutions that facilitate international transactions that promote economic growth within the region. Our expertise in trade finance and our dedicated Chinese desk further strengthens our capabilities in this endeavour.

Financial Inclusion

We strive to promote financial inclusion by offering accessible banking services and customized solutions to diverse High-Net worth individuals within the region. By extending our services to underserved individuals in the region, we contribute to fostering inclusive economic development.

*For further details on our Consumer and High Net-Worth service offerings visit our 2022 IAR on pages 12 and 68.

Our people at a glance

The dedication and knowledge of our employees are instrumental in creating value for stakeholders, implementing our strategies, fostering relationships, and maintaining our reputation. We remain committed to actively engaging with and investing in our workforce.

New hires and employee turnover

For us, new hires play a crucial role in driving organizational growth and innovation, bringing fresh perspectives, skills, and ideas to the table. Lowering the turnover rate is equally important for us as it helps maintain stability, continuity, and institutional knowledge within the company, leading to improved productivity and cost savings in the long run. Given an increasing employee turnover, we have refined and streamlined our employee onboarding process to enhance the onboarding experience.

	2021	2022
New Hires	69	150
Exits	50	110
Total employee turnover rate	5.59%	11%
Voluntary regrettable turnover	1.14	3.02%

Employee benefits

Employee benefits are categorised as defined contribution plans, termination benefits and short-term benefits. For more information regarding our employee benefits please refer to page 153 of the Stanbic Holdings 2022 IAR.

Parental leave

Our parental leave policies are carefully aligned with Kenyan and South Sudan regulations and requirements, ensuring compliance with the local laws while providing employees with the necessary support as well as benefits during this important life stage. We adhere to these regulations as part of our employee engagement commitment to promoting work-life balance by supporting the well-being of our employees in accordance with the specific legal frameworks of each country.

Employee engagement

Our anchor measure of employee engagement is our Employer Net Promoter Score (eNPS), which we measure annually and indicates the likelihood of an employee to recommend Stanbic Holdings as an excellent workplace.

	2021	2022
eNPS (Kenya)	+42	+35
eNPS (South Sudan)	+51	+54

*For more information regarding our people engagement, learning and development, and our Future Leaders Programme please refer to page 74 - 79 of the Stanbic Holdings 2022 IAR.

Employee wellbeing

Employee wellbeing is a key focus for us. Since the Covid 19 pandemic, we recognize the diverse health and safety risks that employees in the financial services industry may face, including communicable diseases, mental health issues and challenges with attaining work-life balance. We prioritize employee wellbeing to ensure their ability to thrive in both personal and professional aspects of life. We have introduced the Pandemic Response Plan as part of our business resilience framework across Standard Bank Group, which is regularly maintained, reviewed, and tested, allowing for a coordinated and effective response to potential disruptions such as epidemics.

Diversity in the workforce

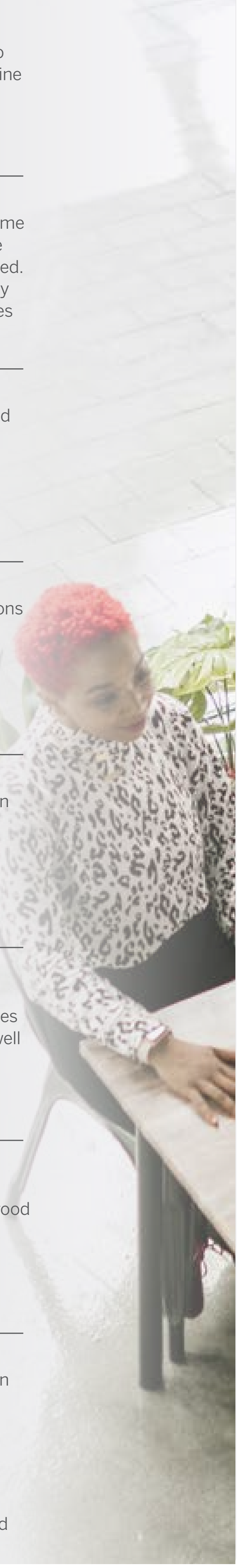
These metrics provide insights into the composition and dynamics of our workforce and will guide our efforts in promoting diversity and improving gender representation at all levels of the organisation.

	2021	2022
Permanent Employees	1005	1045
Gender Parity	47% Female (469)	48% Female (500)
	53% Male (537)	52% Male (545)
Gender Parity Senior Management	41% Female (36)	40% Female (36)
	47% Male (51)	60% Male (55)
Gender Parity on the Board	56% Female (5)	33% Female (3)
	44% Male (4)	67% Male (6)
Employees living with disability	3	4
Age breakdown	6% Below 30 years	6% Below 30 years
	62% 30-40 years	58% 30-40 years
	32% Above 40	35% Above 40

The level of gender parity at senior management and board level has declined year on year. The leadership programmes in the bank have been put in place to address this imbalance.

Upholding human rights

Stanbic including its subsidiaries upholds a set of principles and frameworks to ensure fair and just conditions of work to respect human rights within the organisation. The key principles include:



Fair Labour Practices and Non-Discrimination

Our brand values and respects the rights of employees and we aim to create a work environment free from discrimination. Fair labour practices are integral to our organization's value proposition to ensure exceptional benefits that are in line with or above local market standards.

Group Employee Relations Governance Framework

Our Executive Banking offering provides a suite of exclusive benefits. With income protection features such as retrenchment cover and Income Protect, executive banking clients can gain peace of mind knowing that they're financially protected. Additionally, we provide access to loans, including Mortgage Finance and Salary Advances, ensuring that they are able to meet their financial needs during times of need.

Commitment to Respecting Human Rights

The commitment to human rights is embedded in the organization's Values and Code of Ethics, ensuring legitimacy and reputation as a corporate citizen.

Integration of Human Rights in Operations

Stanbic seeks to incorporate respect for human rights into day-to-day operations and business practices.

Due Diligence and Business Relationships

The organization takes appropriate steps to address actual or perceived human rights abuses, including disciplinary action, ending business relationships, or engaging in constructive dialogue to promote better practices.

Combating Financial Crime and Corruption

We have established management policies as well as training of our staff as a means to raise awareness of the dangers of being compliant in criminal activities with the potential of damaging our brand and the well-being of employees as well as our clients.

Engagement with Stakeholders

As a group we are encouraged to engage our clients, suppliers, and business partners to avoid human rights infringements and supports their adoption of good practices to manage human rights impacts.

Reporting and Review

The organization takes appropriate steps to address actual or perceived human rights abuses, including disciplinary action, ending business relationships, or engaging in constructive dialogue to promote better practices.

*The standard and policy are guided by the group human rights statement. More information can be found on pages 20 and 65 in Standard Bank Group's 2022 ESG report.

Learning and development

Empowering our people is essential to achieve our sustainability aspirations. We promote a learning culture for personal and professional development. Our training and development modules include sustainability subjects such as climate risk, ESG and sustainable innovation for both our board and broader workforce facilitated through workshops.

*For more information regarding our people engagement, learning and development, and our Future Leaders Programme please refer to page 76 - 77 of the Stanbic Holdings 2022 IAR.

The business landscape is rapidly changing as drivers such as globalization, technology and a widening generational gap are forcing us to constantly question and assess our management approach. We place a strong emphasis on training and development to ensure an inclusive working space for all employees as we prioritize our employee's wellbeing and growth. The organisation has established several measures to promote ethical conduct and risk management as follows:

Code of Ethics and Conduct	• All employees are required to read, understand, and adhere to the code upon joining the organisation. • Mandatory online training is provided to employees, utilising case studies and practical scenarios to deepen their understanding of the code and related policies. • In 2022, 97% of group employees completed the code of ethics and conduct training.	Conduct Risk Training	• Employees receive training to understand and manage relevant conduct risks within the context of their business units and roles. • Accreditation is required for FAIS (Financial Advisory and Intermediary Services) representatives and key individuals to ensure appropriate awareness and management of conduct risk. • Training regarding consumer protection principles, human rights, governance and anti corruption.
Ethics and Conduct Online Training Seminars	• Employees are encouraged to participate in additional online training seminars focused on ethics and conduct.	Monitoring and Consequence Management	• Executives are responsible for monitoring our code of conduct dashboards and taking mitigating remedial actions when significant conduct issues or concerns arise. • Effective consequence management practices are in place to address unethical behaviour.

Learning and development initiatives were a significant highlight of the year, with a target set for all employees to undertake at least 40 hours of training. This target was surpassed, with employees receiving an average of **57.7 hours** of training per person. In line with our operational excellence strategy various types of training were conducted online and in person. For a more detailed breakdown of the nature of the training conducted please see page 76 of the Stanbic Holdings PLC 2022 Integrated annual report.

Stanbic Kenya places high importance on strategies focussed on the attraction and retention of talent through succession planning and career development initiatives. The Future Leaders Programme, led by the Chief Executive, is a comprehensive training initiative for high-potential employees. It combines theoretical and experiential learning, leveraging industry expertise and insights from senior management. The program fosters future leaders while promoting diversity and inclusion in skills and gender representation.

Mentoring and coaching are vital in employee development, with 410 individuals participating in the mentoring and coaching program. Notably, 41% of participants became certified mentors and coaches. While talent retention poses challenges, investing in employee training positively impacts the loan book and deposits, driving financial outcomes. Prioritizing employee well-being and development enhances client protection and elevates the overall client experience, aligning with our commitment to operational excellence, employee and client success. More details are provided regarding our approach to learning and development in our 2022 Integrated Annual Report on page 76.

Our approach to sustainability

At Stanbic, our sustainability policy and strategy are rooted in our commitment to creating positive Social, Economic and Environmental (SEE) impact and implementing effective Environmental, Social, and Governance (ESG) risk management.

This commitment drives our responsible business practices which are at the core of our values, aspirations and encouraged behaviours. Our belief is that we can create shared value for all our stakeholders by integrating sustainability throughout our business strategies and practices. We aim to mitigate potential negative impacts while maximising positive outcomes for our stakeholders by identifying and managing ESG risks.

Social, economic and environmental (SEE) impacts

We aim to **maximise SEE impacts** of our business activities and minimise negative impact.

Our **adoption of SEE as a strategic value driver** reflects the commercial opportunity to grow earnings and market share by providing products and services that meet the development needs of Africa and Africa's people.

Our SEE commitments align with the **UN Principles for Responsible Banking (PRB). Paris Agreement, UN Sustainable Development Goals (SDGs), Agenda 2063, and Nationally Determined Contributions** in our countries of operation,

Maximise Positive Impact

ESG risk management

We have **robust governance frameworks and controls in place** to manage the environmental, social and governance risks associated with our business.

We **recognise effective ESG risk management** as a competitive and strategic differentiator.

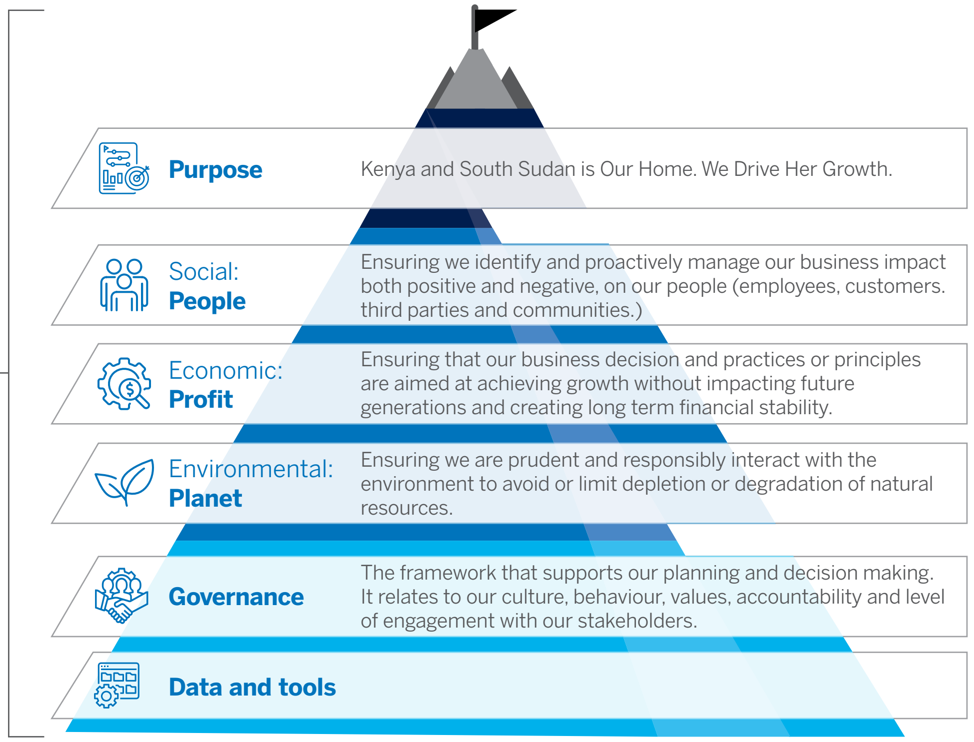
ESG risk management helps us to **minimise and mitigate potential negative impacts** to society and the environment arising from our operations, who we do business with and what we finance.

Our ESG risk management is informed by regulatory requirements in our countries of operation, and voluntary frameworks such as **UN Guiding Principles on Business and Human Rights** and **global standards governing environmental and social (E&S) risk management** including the International Finance Corporation (IFC) Performance Standards and Equator Principles.

Effective Governance and Risk Management

How we define sustainability through our 4Ps: People, Planet, Profit and Purpose.

Ensuring our way of doing business and its impact does compromise the needs of future generations. Ensuring that our externalities and spill overs, both positive and negative, risks and opportunities, and trade-offs are handled in a responsible and considerable way.



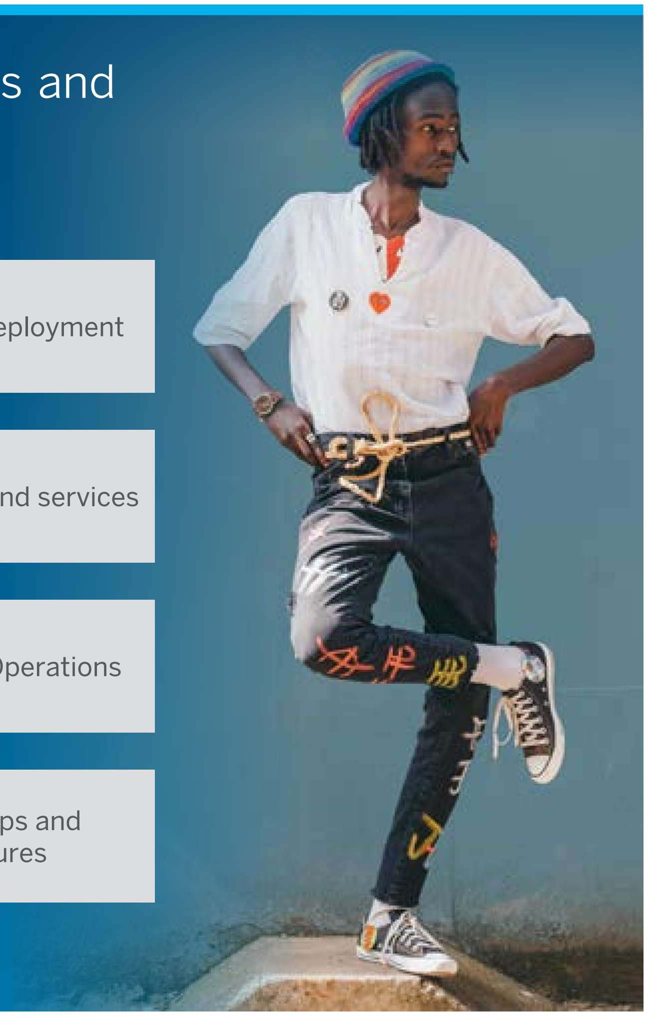
Purpose	Kenya and South Sudan is Our Home. We Drive Her Growth.
Social: **People**	Ensuring we identify and proactively manage our business impact both positive and negative, on our people (employees, customers. third parties and communities.)
Economic: **Profit**	Ensuring that our business decision and practices or principles are aimed at achieving growth without impacting future generations and creating long term financial stability.
Environmental: **Planet**	Ensuring we are prudent and responsibly interact with the environment to avoid or limit depletion or degradation of natural resources.
Governance	The framework that supports our planning and decision making. It relates to our culture, behaviour, values, accountability and level of engagement with our stakeholders.
Data and tools	

Our sustainability goals, objectives and how we measure success

We are committed to driving sustainability across our operations and embedding it in our core business practices. Our sustainability goals and objectives are anchored on four main areas:

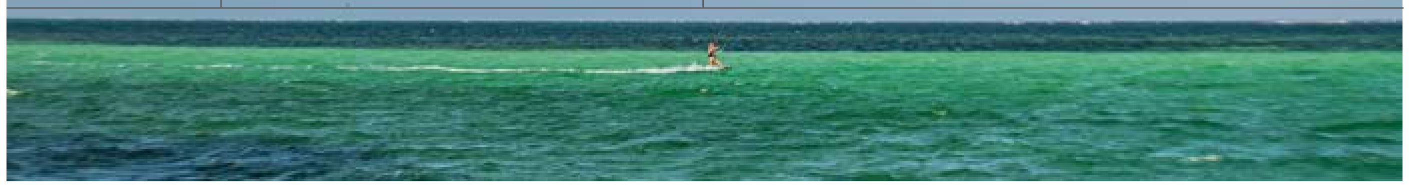
- Our Capital Deployment
- Our Products and services
- Our Internal Operations
- Partnerships and Disclosures

These areas help us focus our efforts and track our progress in creating a positive impact in society and the environment. Through responsible capital deployment, sustainable products and services, efficient internal operations, and forming meaningful partnerships, we are working towards a more sustainable and resilient organisation, while contributing significantly to the socio-economic development of Kenya and South Sudan, as well as the East African region.



Sustainability Strategy (Goals & Objectives)

Scope & Goal	Strategic Objective	Impact Area & UN SDG
Capital Deployment To facilitate Kenya's & South Sudan's developmental needs sustainably.	• Sustainably investment in government by providing financing in support of the green & blue economy initiatives. • Drive trade both local and international by leveraging our infrastructure and know how. • Supporting job creation both directly and indirectly through deployment of capital and upskilling our employees, suppliers and customer base. • Prevention of environmental & social harm by supporting climate change mitigation and adaptation initiatives through screening exercises or tailored financial products. • Drive innovation and contribute to sustainable growth of the countries in the East African region through provision of both financial products and non financial services.	Infrastructure; Sustainable Finance and Climate Change; Financial Inclusion; Trade & investment SDG 5 Gender Equality; SDG 7 Affordable and Clean Energy; SDG 8 Decent Work and Economic Growth; SDG 9 Industry, Innovation and Infrastructure; SDG 10 Reduced Inequalities; SDG 12 Responsible Consumption and Production; SDG 13 Climate Action; SDG 14 Life Below Water; SDG 17 Partnerships for the Goals
Products & Services To facilitate access to financial products and services for our clients and to meet their financial needs responsibly.	• Understand our customers' needs and offer solutions tailored to meet these needs. • Facilitating doing business in a cost-efficient manner for the business and our customers. • Ensuring customer data is safe and secure. • Ensuring our services are accessible and inclusive. • Ensuring we treat customers fairly. • Enhancing financial deepening and understanding of financial wellbeing through collaboration with the Foundation and other strategic partners to provide financial literacy and business management training.	Financial Inclusion; Job creation & enterprise development; Education SDG 4 Quality Education; SDG 5 Gender Equality; SDG 8 Decent Work and Economic Growth; SDG 10 Reduced Inequalities; SDG 16 Peace Justice and Strong Institutions
Internal Operations To embrace sustainability in our internal operations and business decisions.	• We empower our employees and help them reach their full potential • Minimize our environmental footprint and act responsibly to conserve natural resources. • Contribute to a better society by promoting resilience and mitigating social economic and environmental risks.	Financial Inclusion; Job creation & enterprise development; Sustainable Finance and Climate Change; Education SDG 4 Quality Education; SDG 5 Gender Equality; SDG 7 Affordable and Clean Energy; SDG 8 Decent Work and Economic Growth; SDG 10 Reduced Inequalities; SDG 12 Responsible Consumption and Production; SDG 13 Climate Action; SDG 14 Life Below Water; SDG 16 Peace Justice and Strong Institutions; SDG 17 Partnerships for the Goals



Sustainability Strategy (Goals & Objectives)

Scope & Goal	Strategic Objective	Impact Area & UN SDG
Partnerships & Disclosures To leverage on partnerships, regulatory guidelines and industry associations to enhance our impact.	• Develop strategic partnerships aligned to realising the strategy and creating the desired impact both for the business and society. • Ensure strategic partnerships support the achievement of Kenya and South Sudan's development needs. • Contribute to the improvement of the financial sector through thought leadership and collaboration. • Meet regulatory requirements. • Connect with society and tell our impact story.	Financial Inclusion Trade & investment SDG 5 Gender Equality SDG 8 Decent Work and Economic Growth SDG 10 Reduced Inequalities SDG 16 Peace, Justice and Strong Institutions

Our 2023 - 2026 aspirations

Looking ahead, we are committed to unlocking sustainable value through a holistic approach that considers ESG and SEE impact considerations. To ensure we realise this aspiration we have set goals for the next three years, progress against which will be tracked and reported in our 2023 Sustainability Report. Our aspirations for the period 2023 to 2026 reflect our ambition to reimagine our operations, create value, and engage with our stakeholders in a meaningful way. During this period, we aim to go beyond traditional business practices and embrace innovative strategies that drive positive impact across all our impact areas. We recognise that our role goes beyond financial performance.

Our Goals

Environmental

- Establish a clear path to Net Zero for new building facilities by 2035 and existing facilities by 2040.
- All new facilities are to be certified as green from 2023.
- Baseline carbon footprint assessment to be compiled by June 2023.
- Recycle 99% of waste including e-waste by end 2023.
- See a 50% reduction in paper use by 2025.
- Plan or facilitate planting of 1 million trees in support of the government of Kenya (GoK) "Jaza miti campaign" - (Directly and Indirectly) by 2028.
- Lending to green projects and sustainable linked facilities to represent 10% of total book by December 2023.

Social

- Achieve 50:50 gender parity within management and the general workforce.
- Achieve 2% differently abled persons are employed within the workforce by 2023.
- Ensure 30% of procurement spend is allocated to marginalised groups (women, youth, SMEs) by 2025.
- Drive average digital tool utilisation by primary customers to 90% by 2024.
- Support clients in their transition to sustainable business, including the use of webinars and training every quarter.
- Roll out sustainable linked instruments as new products in the market.
- Issue affordable housing mortgages to the value of KShs 300 million by December 2023.
- Issue loans for infrastructure to the value of KShs 30 billion by end 2023.
- Investment in GoK funded infrastructure projects to represent 30% of loan book portfolio by end 2023.

Governance

- Meet all regulatory disclosure requirements (CBK, IFRS, NSE, CMA, SARB).
- Publish an inaugural Sustainability by August 2023.
- Sign up to the UNGC by July 2023.
- Achieve pathway to Net Zero BA accreditation or ISO 14001 certification by end 2026.
- Ensure 100% client screening is taking place for Corporate, Commercial Banking and SME clients who take loans greater than KShs 500 000 by end 2024.
- Ensure 100% assessment of all critical and material 3rd parties for ESG risks by December 2023.
- Climate risk framework to be in place by August 2023.

Our impact

Our purpose is to drive the growth of Kenya and South Sudan. Core to our philosophy and how we operate is to not only be a provider of financial products and services, but to be a catalyst for economic change.

We achieve this through our Social, Economic, and Environmental (SEE) Framework which provides an overarching framework on how and where we can maximise value creation for our stakeholders, translating this into tangible actions with measurable outcomes. Our SEE framework is integral to driving our business strategy and success as an organisation, all intrinsically linked to the societies in which we operate.

We have identified seven impact focus areas under the SEE Framework where we believe we can best achieve our business objectives, purpose, and maximise value creation for our stakeholders and society. Our seven impact areas are purpose driven align to the UNSDGs. The formally established SEE committee provides oversight and drives the implementation of the SEE framework throughout or business strategy, operations, and activities.

Social
The value we create for society both internally and externally.

Environmental
Our success depends on creating value for the environment through conscious and responsible lending.

Economic
We drive economic growth by creating social and environmental value, through innovative and profitable ways of doing business.

Financial Inclusion · **Job creation & enterprise development** · **Sustainable Finance and Climate Change** · **Infrastructure** · **Trade & investment** · **Education** · **Health**

We leverage our SEE value drivers in the following ways to assist us in realising our purpose and business strategy which form an integral part of our decision making:

- Identify business opportunities (both services and products) arising from societal, economic, and environmental challenges to meet our customer and stakeholder needs.
- Understand and evaluate commercial versus societal impacts enabling us to deliver what matters to our clients while enhancing the trust, reputation, and sustainability of the Group.
- Provide a balanced and objective account of our potential impact to our diverse stakeholders while assessing the needs of the Group.
- Raise awareness and consideration across the Group of the potential SEE impacts associated with our operations and business activities.

The SEE Framework is implemented across our commercial business operations as well as the Stanbic Kenya Foundation (SKF). The SKF was established with a broad mandate of catalysing inclusive socio-economic growth and promoting environmental and climate awareness as avenues to create sustainable businesses in the Kenya and South Sudan economies in line with the SDGs. In doing so, the Foundation amplifies Stanbic Bank Kenya's purpose of "Kenya and South Sudan is our home, we drive their growth".

Through the Foundation, we demonstrate our **vision** and **purpose,** and deliver value addition to our employees, women, youth and MSMEs. Of the seven SEE impact areas the foundation thus primarily focuses on the delivery of impact under the following impact areas.

Financial Inclusion

Job creation & enterprise development

Education

Health

Through our business operations and under our SEE Framework we create tangible and measurable impact across our seven impact focus areas. The impact realised in 2022 is presented here under the social, environmental and economic pillars.

Social performance

Our social performance is defined as the value we create for society, both internally with our people, and with external stakeholders such as our customers, government, regulatory bodies, and the communities in which we operate. We also understand how our social performance impacts the sustainability of the Bank as our people, stakeholders and our communities are key to our success.

Our core operations involve the provision of banking services and products to unlock the potential of our customer through solutions tailored to a digital future. Through our services and products, and the digital platforms by which they are delivered, we aim to increase access to banking and financial services thereby promoting equal access to economic resources, fostering diversity and equity, as well as financial inclusion across our value chain. A focus area for us is the provision of financial services, products and training to micro, small, and medium enterprises (MSMEs). MSMEs are acknowledged worldwide as the drivers of socio-economic development due to their important role in GDP growth, new job creation and entrepreneurship.

Financial inclusion is a strong driver of socio-economic change, and we empower women and other vulnerable groups through tailored education and training programs, ensuring increased access to financial services and supporting productive activities of MSMEs. We equip youth with skills for employment and entrepreneurship, fostering their potential and active contribution to society.

Education and Health play a crucial role in our social initiatives. We support students through scholarships and feeding schemes, promoting equal access to quality education and enhancing academic retention rates. Our health initiatives prioritise early cancer detection through free screening programs in multiple counties, aiming to reduce the impact of non-communicable diseases.

Financial inclusion

Our commitment to financial inclusion is integral to our business strategy and sustainability outcomes. Our objective is to enable access to financial solutions that support economic development, reduce inequality, and promote inclusive growth.

SEE Pillar	SDG	Targeted social value to be created	Activities resulting in impact within the business and society
Financial Inclusion	SDG 5 GENDER EQUALITY	• Promote equal access to economic resources. • Ensure gender equality in the workforce. • Higher levels of economic productivity through increased economic participation by women. • Empower women through financing and training of women owned MSMEs.	• Focus on women, MSMEs, and customers in underrepresented and significant economic sectors such as agriculture and oil and gas. • Our gender programme enhances gender equality, through internal leadership programmes and tailored product offerings like D.A.D.A aimed at empowering female entrepreneurs. • Includes focus on women through provision of financial services and products. • D.A.D.A proposition specifically tailored to women is now in its third year. It comprises financial support and continues to empower women run business, enhancing job creation opportunities and economic stimulus. • Foster a customers appreciation of the wealth journey, through education and training programmes tailored to women. • Targets set to providing lending to MSMEs, supported through Foundation activities allowing for additional training and development of MSMEs (including youth and women-run businesses) promoting business growth.
	SDG 8 DECENT WORK AND ECONOMIC GROWTH	• Expanding access to banking, insurance and financial services. • Higher levels of economic productivity through diversification, technological upgrades, and innovation. • Promotion of development-oriented policies to support productive activities of MSMEs.	• Realising growth in the MSME sector due to provision of products and services – revolving credit, training, access to commercial loans. • Ongoing digitisation of solutions, and implementation of innovative solutions to increase access to financial services. Includes extension of the agency banking network and introduction of shared spaces to enhance levels of financial inclusion.
	SDG 10 REDUCED INEQUALITIES	• Promotion of diversity, equity and inclusion across our value chain. • Promote equal access to economic resources.	• Products designed for the public good, aligned to needs observed in the market. • Targets set to providing lending to MSMEs, supported through Foundation activities. • Continue to invest in our ecosystem banking model extending finance to customers suppliers.

Achievements in 2022

Inputs:

- Ongoing digitisation of solutions, and implementation of innovative solutions to increase access to financial services.
- Competitive short-term vehicle insurance cover at affordable prices provided to the market.
- 11 digital projects executed.
- Addition of 685 agents to the network.
- Introduced shared space with Java House for face-to-face engagement with banking staff at lower cost.
- Three new branches opened in 2022.
- An additional 2 ATMs were installed in 2022.

Outcomes:

- Empowering women:
  - 25,000 D.A.D.A clients trained to promote growth of their businesses.
  - 202 female employees participated in leadership training in 2022. A total of 414 leaders ranging from supervisory to senior Leadership programmes have been trained to date.
  - 512 women trained as part of the GIZ E4D Program.
  - 2 of the 11 USADF/SKF Grant winners were women-led organisations.
- Capacity building through the GIZ/SKF MSE resilience programme:
  - A total of 959 MSMEs trained.
    - 883 MSMEs have been trained.
    - 76 MSMEs have been trained and are being coached.
    - 437 beneficiaries have benefited from the fund.
    - Women account for 53% of beneficiaries.
    - 437 beneficiaries received a total of KShs 24.84 million (MSE Resilience program).
- Financial literacy:
  - KShs 76 million in grants and catalytic funding disbursed to over 400 MSMEs.
  - 1,300 people trained via the financial fitness academy.
  - Financial Fitness Academy 6,700 participants in 2022 resulting in new financially savvy customers.
  - Trade Finance Specialist Certification 13 employees.
- Enhanced access to financial products and services:
  - USD 520 000 awarded to 11 organisations through the USADF/SKF grant funding programme.
  - Stanbic customer base grew by 28% from 2021.
  - MSME loans KShs 65.4 billion up 26% from 2021.
  - MSME retail financing solutions now leveraging digital solutions.
  - Accelerated access to trade finance solutions to KShs 76.4 billion.
  - Customer deposits: KShs 271.6 billion (2021: KShs 242.3 billion).
  - Customer loans: KShs 235.9 billion (2021: KShs 185.3 billion).
  - Lending to women KShs 7.7 billion up 53% from 2021.
- Enhanced access to digital banking platforms:
  - Over 95% of clients now onboarded digitally.
  - Recognised as having award winning modernised banking platforms.
  - 99.87% system uptime achieved.
- Improved financial performance of the Bank:
  - Capital: KShs 62.2 billion (2021: KShs 56.5 billion).
  - Net asset value per share: KShs 157.3 (2021: KShs 142.8).
  - Profit after tax: KShs 9.1 billion (2021: KShs 7.2 billion).
  - ROE: 15.3% (2021: 13.3%).
  - CTI: 46.7% (2021: 50.9%).
- Promotion of opportunities for development through sports:
  - Stanbic has signed a multi-year partnership with the NBA (National Basketball Association) to launch the first Jr. NBA League in South Sudan.
  - The NBA program promotes basketball among boys and girls aged 18 years and under, encouraging their participation through local primary and secondary schools.
  - The initiative aims to empower and support the youth in fulfilling their dreams by providing platforms and opportunities. It focuses on instilling fundamental life skills and core values through the program.
  - The signing of a Memorandum of Understanding between UN Women and Stanbic in 2022 highlighting commitment to supporting women and young girls in South Sudan through non-financial and in-kind assistance.

Stanbic Partners

- MOUs with motor vehicle dealers
- MOU with housing developer

Liberty, Safaricom, Nairobi Expressway, Visa, MasterCard, Java House, KMRC, giz

IT service providers

*For more information regarding our people engagement, learning and development, and our Future Leaders Programme please refer to page 74 - 79 of the Stanbic Holdings 2022 IAR.

Estimated Societal Impact

Metric used to quantify impact:	Impact quantified:
For every US$ 1 invested in SMEs, it is estimated that on average, an additional US$ 12 will be generated in the economy. Of the US$ 12, more than 41% of the benefits will be outside the enterprise[1].	Based on the KShs 76 million (US$ 547,353) spent on grants and catalytic funding to over 400 SMEs, it is estimated that an additional US$ 6.6 million (KShs 912 million) will be generated in the economy. Of this, US$ 2.7 million (KShs 373 million) of the benefits are generated outside the SMEs that received the funding. In addition, the KShs 65.4 billion (US$ 471 million) loaned to SMEs in 2022, is estimated to generate US$ 5.7 billion in economic stimulus. Of this, US$ 2.3 billion will be generated outside the SMEs that received the funding. Based on the KShs 24.84 million (US$ 178,898) MSME loans issued under the MSME resilience programme, it is estimated that an additional US$ 2.1 million (KShs 298 million) will be generated in the economy. Of this, US$ 880,178 (KShs 122.2 million) of the benefits are generated outside the MSMEs that received the funding.
When considering the Stanbic women-focused credit programmes and loans, studies show that annual household consumption expenditure increases by US$ 0.22 for every additional US$ 1.22 borrowed by women, compared with US$ 0.13 for men[2].	Based on the KShs 7.7 billion (US$ 55.5 million) loaned to women, the annual household consumption expenditure is estimated to have increased by US$ 12.2 million (KShs 1.6 billion) in 2022.

[1] From Poverty to Prosperity: Understanding the Impact of Investing in Small and Medium Enterprises, SEAF, 2014
[2] Empowering Women through Microfinance: Evidence from Tanzania, Kato. M & Kratzer. J, ACRN Journal of Entrepreneurship Perspectives, February 2013

Supporting women's rights

The signing of a Memorandum of Understanding between UN Women and Stanbic in 2022 demonstrates our commitment to supporting women and young girls in South Sudan through non-financial and in-kind assistance. This partnership aims to create a positive impact in a country where women face significant challenges.

The statistics reflecting early marriages and high rates of gender violence in South Sudan highlight the urgent need for interventions to address these issues. Additionally, the lack of resource ownership and land rights further exacerbates gender power imbalances.

Taking action and implementing interventions that rebuild economic resilience for women at all levels can be a game changer. By providing opportunities for women to actively participate in society and empowering them to take charge of their health, needs, and talents, a country can pave the way for becoming a great nation.

Through this partnership, Stanbic Bank South Sudan and UN Women aim to address these challenges and create a more inclusive and equitable society where women can thrive. By providing non-financial support and in-kind assistance, the partnership seeks to uplift women and young girls, enabling them to overcome barriers and contribute meaningfully to their communities and the nation as a whole.

Education

Our aim is to improve access to quality and affordable education for all and increase the number of youths equipped with skills for employment and entrepreneurship.

Through the Foundations activities implemented under the education impact area we have achieved positive and impactful outcomes. We are very proud of our two scholarship programs which support underprivileged children and schoolgirls affected by pregnancies to complete their education. Our commitment to education extends to the provision of schoolbooks, mentorship programs, feeding programs, and the building and upgrading of educational facilities to provide safe and effective learning environments. Through our Foundation we also run computer literacy programs in marginalised communities, creating online job opportunities.

We have invested KShs 2.5 million to support children's education. These achievements are realised through fruitful partnerships with NGO's and the private sector, enabling us to make a significant impact in the education sector.

SEE Pillar	SDG	Targeted social value to be created	Activities resulting in impact within the business and society
Education	SDG 4 QUALITY EDUCATION	• Facilitate equal access to affordable and quality high school education. • Increase the number of youth who have skills for employment and entrepreneurship. • Build and upgrade educational facilities that provide safe, nonviolent, and effective learning environments. • Expand scholarships available for enrolment in education.	• Enhanced retention rates of students at school through scholarships and feeding schemes deployed. • KShs 2.5 million spent on education to support underprivileged children. • Enhanced levels of computer literacy in marginalised communities, creating online job opportunities. Facilitated through partnerships with government agencies.

Achievements in 2022

Stanbic Partners

Inputs:
- Provision of scholarships.
- Partnerships to deliver feeding schemes and training programmes.

Outcomes:
- Sponsorships:
  - Sponsoring 8 girls and 8 boys in partnership with Palm House Foundation.
  - Mentorship with SBK Staff.
- Feeding Scheme:
  - Food program for 1,410 students in partnership with JAVA.
  - SBK Staff participate in Friday Feeding sessions.
  - 1,200 students were fed daily from July 2022 with 115,000+ meals served.
- Educating girls:
  - KShs 1,5 million Brigid Kosgei scholarship for 50 girls affected by teenage pregnancy.
  - Donated books, desks and water tanks to Kipkundal Mixed Secondary School.
- Financial fitness academy.
- Digital skills transfer:
  - 102,000 beneficiaries of digital skills training in 2022, 152,807 beneficiaries since the inception of the programme.
  - 840 training of trainers were completed in 2022, increasing the total number of trainers trained to 1,653.
  - 593 computers donated in total. 163 computers were donated for educational purposes in 2022.
- Educating our customers:
  - Providing input on measure for implementation to improve levels of sustainability of businesses.

Of the 6,700 participants in the financial fitness academy in 2023, 200 were hearing impaired.

Gatina Feeding Programme Stanbic

Stanbic staff serve meals each Friday on a rotation basis by department. Pupils anticipate the Stanbic teams every Friday.

SDG 2 ZERO HUNGER
SDG 4 QUALITY EDUCATION

Five computers were also donated to the school which has supported the school during exams to process results, allowing more than one teacher to work at a time.

Through partnership with Java House and Food for Education, Stanbic Foundation initiated a feeding scheme at Gatina Primary School in Dagoretti.

A feeding scheme was already in place at the school when the foundation approached them. The Scheme was supported through a government initiative which provided part sponsorship of meals. Due to the nature of the community being services even bridging the gap of KShs 350 per month in funds required to access the scheme was too much for some parents.

Java House Food for Education and Stanbic Foundation stepped in and as of July 2022 fully sponsor the feeding programme which provides a meal to 1 200 learners daily. Meals are delivered in containers, and helpers from Food for Education serve the children. A meal is also provided for each of the teachers, who can then also ensure the meals provided are of the quality expected. This means the school no longer needs to cook meals. The quality of the meals has also improved.

This has had a profound impact on the quality of educations being provided at the school concentration levels have improved, with extended evening classes attended (until 5pm per day) being more productive. “Previously, lessons after 2pm were not conductive to learning as the children were hungry and could not concentrate on their lessons,” says Paulene Ateno Ochieng, Deputy Head Teacher in charge of the feeding programme. “Now the children are active, have energy to play games.”

Many of the pupils rely on this meal as they are not assured of a meal each day. Leftover food is often taken home by pupils to feed siblings or other family members. Absenteeism rates have dropped significantly as the children need to be fed. Children are noted to even come to school when they are sick to ensure they have a meal.

Since the feeding scheme started, the number of pupils has increased to 1 410 and the school is still admitting more pupils daily. Stanbic is currently assessing this increased need for meals and will assess how best to increase the quantity of food being provided to the school.

School nutrition programmes play a valuable role for children and have economic benefits. Students that are part of school feeding programmes are more likely to attend school, have higher concentration levels, and enjoy a better educational outcome, which can lead to more opportunities for further studies and ultimately impact their earning potential. Some studies show that students who are part of a feeding programme attend school four to six days more per year than students who aren’t part of feeding programmes. In addition, students that are part of school feeding programmes perform better in maths and short-term cognitive tasks compared to other students.

Economically, studies show that for every US$ 1 invested in school feeding programmes, a return of US$ 9 can be expected.

Health

We recognise the importance of ensuring individuals and families have access to quality healthcare without incurring excessive financial burdens. We have focused on achieving health risk protection and increasing financing within the health sector. To achieve this, we have diversified our insurance products to include health insurance, income protection, and life cover, providing our customers with comprehensive coverage and financial security in the face of healthcare expenses.

Furthermore, we actively work to increase financing in the health care sector, seeking to mobilize resources and support initiatives that enhance healthcare infrastructure development, provision of services, and increasing access to quality and affordable healthcare for communities.

A corporate social responsibility initiative supports the reduction of premature mortality from non-communicable diseases through prevention and treatment, and the early detection of cancer. This is achieved through free cancer screening across six counties in Kenya.

SEE Pillar	SDG	Targeted social value to be created	Activities resulting in impact within the business and society
Health	SDG 3 GOOD HEALTH AND WELL-BEING	• Achieve financial risk protection. • Increase health financing. • Increased access to quality and affordable healthcare. • Reduce premature mortality from non-communicable diseases through prevention and treatment.	• Diversification of insurance products to include health insurance, income protection and life cover. • Facilitating early detection of cancer through cancer screening across seven Counties in Kenya free of charge. • Sharing of awareness information on early detection through cancer screening.

Achievements in 2022

Stanbic Partners

Standard Bank
DADA

Outcomes:

- Employee benefits 2022 spend:
  - Group- **KSh 7,279 million**
  - Company- **KSh 61 million**
- Feeding Scheme:
  - Food program for 1,410 students in partnership with JAVA.
  - SBK Staff participate in Friday Feeding sessions.
  - 1,200 students were fed daily from July 2022 with 115,000+ meals served.
- From as little as KShs 1,300 per month an individual can get personal accident cover, life cover, domestic/ home insurance and funeral cover.
- Wellness is promoted for staff through providing access to wellness sessions conducted by healthcare professionals.
- Cancer screening undertaken:
  - KShs 5.98 million spent on health care initiatives (cancer screening) in 2022.
  - Through cancer screening 60 suspicious cases were identified allowing for early treatment.
  - 15,582 beneficiaries screened for cancer across 6 countries in 2022.
  - 25,604 total beneficiaries screened across 10 countries for the programme to date.

Supporting our future leaders

Health is wealth
Stanbic Bank Kenya recognises the significant contribution of women to the overall economy and is committed to empowering women in various sectors. In a global report on gender equality, Kenya ranked 57th out of 146 countries, highlighting the need for focused efforts in promoting gender equality in economics, politics, education, and health (World Economic Forum, 2022).

To support women's empowerment, Stanbic Bank Kenya has developed products and services that address the specific challenges and needs faced by women. This commitment is rooted in the understanding that women constitute the majority of the population and play a vital role in driving economic progress.

Through a partnership with KEWOPA (Kenya Women Parliamentary Association), Stanbic Bank Kenya aims to provide capacity building programs that target the wealth creation of women leaders and management, fostering women's economic empowerment. Additionally, the bank seeks to create opportunities for cooperation and collaboration, engaging in policy discussions to enhance women's access to financial services. It also aims to establish entry points in all 47 counties, focusing on grassroots initiatives for financial inclusion.

As part of its commitment to women's well-being, Stanbic Bank Kenya's Stanbic Foundation emphasizes health initiatives during Breast Cancer Awareness month. The foundation provides cancer screening services, recognizing the importance of wellness for financial prosperity. Encouraging women to prioritize their health, the bank emphasizes self-checks and screenings, highlighting that one's health is a valuable asset.

Stanbic Bank Kenya acknowledges that women are the pillars of society and understands the importance of driving their development and growth. By promoting women's empowerment, the bank aims to contribute to a more equitable and inclusive society, leveraging the immense potential and talent of women to drive economic progress and social transformation.

Promoting unity through sport

Stanbic has signed a multi-year partnership with the NBA (National Basketball Association) to launch the first Jr. NBA League in South Sudan. The implementation of this program will be carried out by the Luol Deng Foundation (LDF) and is set to begin this year.

The Jr. NBA program, designed by the NBA, aims to develop and promote basketball among boys and girls aged 18 years and under, encouraging their participation through their local primary and secondary schools. The program includes a free-to-play league, coaching clinics, and the construction of an outdoor court in Juba later in the year.

By partnering with the NBA and implementing the Jr. NBA League, we are investing in the country in line with our social, economic, and environmental (SEE) agenda. Recognizing that the youth are the future of the nation, the initiative aims to provide platforms, opportunities, and support for young people to fulfil their dreams. Through the program, fundamental life skills and the core values of the game are instilled in each participating youth.

Nurturing and transforming young talent in sports not only benefits the individuals themselves but also has a positive impact on the entire community surrounding them. With a youth population of about 60% youth population of about 60%, South Sudan has immense potential for a brighter future. We aim to continue catalysing growth in the business sector, create employment and income opportunities for sportsmen and women, and unlock the potentials of the country. Through such partnership and the promotion of sports, we are contributing to the unity and development of the nation, harnessing the power of sports to inspire and empower the youth while fostering lifelong opportunities for growth and success.

Environmental performance

Our endeavours to protect the environment through reducing our own environmental footprint and providing purpose driven and responsible lending. We aim to achieve this through the implementation of environmental and resource efficiency measures, provision of bespoke sustainable financing solutions, and building climate awareness and resilience within our customer base.

We are promoting investment in energy infrastructure, clean energy technology, and the construction of green buildings. These initiatives will reduce the impact customer operations have on the environment and will assist in the reduction of carbon emissions within our customer base.

We actively encourage companies to adopt sustainable practices across their operations. Through our rigorous screening processes, we prohibit lending and support to clients involved in activities which have negative impacts on fragile eco-systems and the environment. Our commitment to environmental performance reflects our dedication to responsible banking practices and our belief in the importance of preserving and protecting the natural environment for present and future generations.

Sustainable finance and climate change

We work with government, development institutions and businesses to reduce their vulnerability to climate change and build resilience. Our key focus areas include the issuances of climate and green bonds and the financing of sustainable product solutions. Recent developments include a partnership between Stanbic Kenya, Stanbic Kenya Foundation and the German Development Corporation (GIZ) with the aim to sustainably enhance the development of the blue economy sector in Kenya.

SEE Pillar	SDG	Targeted social value to be created	Activities resulting in impact within the business and society
Sustainable Finance and Climate Change	SDG 7 AFFORDABLE AND CLEAN ENERGY	• Promote investment in energy infrastructure and clean energy technology.	• Develop green products tailored specifically to promote the use of energy efficient infrastructure and clean energy technology.
	SDG 8 DECENT WORK AND ECONOMIC GROWTH	• Improve resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation.	• Screen clients against their energy efficiency in consumption and production and educate them as to how implementation of these measures can drive cost reductions, operational efficiencies, de-risking the business.
	SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Promote procurement practices that are sustainable.	• Regularly assessing suppliers to ensure they have embraced sustainable business practices. Providing support where needed to improve on levels of productivity and adherence to the Stanbic Code of Conduct. • Screen management protocols of customers regarding their suppliers during lending to ensure there are no unforeseen supplier-related risks which could affect the customer and change its risk profile over time.
	SDG 13 CLIMATE ACTION	• Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters. • Reducing carbon emissions and contributing towards the fight against climate change.	• Develop green products tailored specifically to promote the strengthening of resilience and adaptive capacity to climate-related hazards and natural disasters. • Screen customers prior to lending to ensure they have considered climate risk factors in their risk management processes and have responded appropriately to mitigate these risks.
	SDG 14 LIFE BELOW WATER	• Reduce marine pollution.	• Through grant funding and leveraging strategic partnerships we have launched a blue economy agenda to facilitate the reduction in adverse impacts on marine habitats. • We will provide education to clients as well as funding to activities aligned to achieving our objectives under this initiative.
	SDG 17 PARTNERSHIPS FOR THE GOALS	• Foster debt financing, debt relief and debt restructuring, and reduce debt distress. • Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the Sustainable Development Goals.	• Implements strict screening protocols for customer to avoid over indebtedness. However, if a customer is in financial distress, Stanbic provides debt restructuring, offering terms that ease repayment and reduce level of default. • We will continue to develop strategic partners either to raise capital that is deployed through lending products, or to facilitate implementation of programmes through the Foundation aimed at aligning outcomes targeted under the Kenyan Governments Big 4 Agenda, as well as the Group's commitment to contributing to the SDGs.

Achievements in 2022

Stanbic Partners

Clients within the renewable energy sector.

Inputs:

- The Group researched and initiated development of green products aimed at promoting:
  - Energy efficiency
  - Green building principles
  - Natural resource management
  - Waste reduction
  - Climate resilience and adaptation
  - Blue economy
- Governance structures were put in place to support these initiatives:
  - Appointed a standalone sustainability manager with reporting lines to the Board and sub committees. Sitting in the risk function with oversight to product development and implementation.
  - Developed a climate risk policy.
  - Continued to track levels of over indebtedness in the client base and implement measures to reduce NPLs.
- Sought out partnerships to:
  - Facilitate access to capital through ongoing fundraising both for the Bank and the Foundation activities.
  - Facilitate transfer of funds, managed through leveraging the Standard Bank Group network of companies currently in 20 countries on the continent, and 16 countries outside of Africa.
- Supported Government through:
  - Efficient collection of taxes.
- Tracked responsible resource use including:
  - Energy
  - Water use
  - Waste generation
  - Carbon footprint

Outcomes:

- Screening to enhance performance:
  - Screened customers to assess climate risk, and how they have assessed these risks across their supply chain.
  - Screened own supply chain to determine risk factors associated with poor ESG management including climate risk.
- Our environmental footprint:
  - With returning to work energy consumption increased by 13% year on year, costs increased by 2% during the same period.
  - 404 kilolitres of water were consumed in 2022, equating to a water intensity ratio of 0.39 litres per employee per day.
  - 50 tons of waste was generated in 2022 a 2% increase from the previous year.
  - The Kenyan carbon footprint was 30 tons of CO2 Equivalent for 2022.
- Launch of Go-Blue Project:
  - 200 MSMEs to be trained with at least 35% being women led.
  - KShs 25 million allocated through partnership with the GIZ for access to finance by MSMEs through this project. Objective of the project is to improve competitiveness and enhance business capacities of Blue Economy.
  - Number of applicants 257: Females (57%) Males (43%)
  - Sole Proprietor (62%), Registered Company (19%), Registered Group (8%), Community Based Organization (5%) and other (6%)
- Supporting initiatives in our communities:
  - Provide a water tank to Kipkundul Mixed Secondary School.

Infrastructure

We are committed to supporting infrastructure development as part of contributing to inclusive and sustainable industrialisation. We achieve this by working with government and development institutions to structure and provide innovative financial products for the development of crucial infrastructure. We also work with and provide finance to the private sector who are key drivers in the sustainable infrastructure space.

SEE Pillar	SDG	Targeted social value to be created	Activities resulting in impact within the business and society
Infrastructure	SDG 7 Affordable and clean energy	• Reduce carbon emissions through improved energy efficiency. • Expand infrastructure and upgrade technology for supplying modern and sustainable energy services.	• Develop green products tailored specifically to promote the use of energy efficient infrastructure. • Lend funds to businesses in the energy sector to facilitate the upgrade of technology to supply modern and sustainable energy services.
	SDG 9 Industry, innovation and infrastructure	• Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. • Facilitate sustainable and resilient infrastructure development through enhanced financial, technological and technical support.	• Provide funds to businesses to upgrade infrastructure and retrofit industries to make them sustainable. • Assist clients through lending and technical support to develop sustainable and resilient infrastructure.

Achievements in 2022

Inputs:
- Financial support provided for the development of a 55 MW solar PV plant.
- Group has committed USD 150 million of funding in infrastructure.

Outcomes:
- Value of loans issued under infrastructure **KShs 15 billion.**
- **KShs 267 million** in loans were issued under affordable housing.

Stanbic Partners

Nairobi Expressway

As part of the government's initiative to increase the road network in Kenya, through a Public Private Partnership (PPP) arrangement, they partnered with MOJA, a subsidiary of CRBC (China Road and Bridge Corporation) to construct the Nairobi Expressway.

SDG 8 Decent work and economic growth · SDG 9 Industry, innovation and infrastructure · SDG 10 Reduced inequalities

- Stanbic assisting Moja Expressway with their day-to-day operations
  - Stanbic is the sole payment agent in Kenya.
  - Stanbic launched the Expressway branch in November 2022, enhancing job creation.
  - Stanbic is the main banker for Expressway's staff.
- Stanbic assisting with the Expressway client interface
  - Stanbic is one of three banks who act as collection partners.
  - All collections are consolidated to Stanbic on a monthly basis.
  - Stanbic launched "ExpressPay" solution to support the MTC (Manual Toll Collection) card and ETC (Electronic Toll Collection) top-up device.
  - Stanbic also offers BNA and PDQ machines to Expressway's service centres.
  - More than 70% of motorists choose Stanbic's top-up solution, facilitating payment of toll fees.
- Stanbic facilitating positive impact to society
  - Created jobs for over 6 000 local staff during the construction phase.
  - Cement and steel worth 40% of the contract value was sourced locally.
  - Daily average 25k cars travel round trip via Expressway.
  - Reduced travel time from 180 mins per round trip everyday.
  - Time saved 21.3 million hours per year, 852 hours per car, 35 days per passenger per year.

Road Length: 26.7km
Road Section: 15.6km
Design standard: Class A

SEE Focus Areas

Infrastructure · Financial Inclusion · Job creation & enterprise development

Economic performance

At Stanbic, we drives economic growth by creating social and environmental value, which leads to more innovative and profitable ways of doing business thereby being a catalyst for economic change. These outcomes form the building blocks on which the success and sustainability of our business depends.

Through financial inclusion, we aim to create higher levels of economic activity and productivity by promoting diversification, technological upgrades, and innovation. We prioritise job creation and enterprise development, with a particular focus on ensuring effective participation of women, and other vulnerable groups, fostering inclusive economic growth. Through our sustainable finance and climate change impact area, we strive to integrate climate change measures into our policies, strategies, and planning, aligning economic activities with environmental sustainability. Additionally, we support the increase in exports through trade and investment, contributing to economic growth and market expansion. Furthermore, we recognise the importance of health and education financing and aim to increase investments in this area, promoting access to quality healthcare and education supporting the overall well-being of individuals and communities. These efforts collectively drive our economic performance, fostering sustainable and inclusive economic growth.

Job creation and enterprise development

Financial value creation is achieved through our targeted approach to job creation and enterprise development.

Effective participation of women is a priority for us and driven both internally, through our gender equality program, and externally through our D.A.D.A proposition tailored to women. D.A.D.A provides financial support and empowers women-run businesses, fostering job creation opportunities and economic stimulus. We are dedicated to achieving pay parity by integrating value chains, streamlining purchasing of goods, payments, and investments, and implementing salary benchmarking strategies to ensure equal pay for equal work.

We aim to achieve higher levels of economic productivity through diversification, technological upgrades, and innovation. We empower MSMEs to transact digitally, reducing their cost of operations and enhancing their levels of efficiency, as well as increasing opportunities for expansion into new markets facilitating growth.

Job creation and enterprise development underpins our commitment to supporting the development and growth of MSMEs in Kenya and South Sudan[2], aligning ourselves with the country's national development plans, namely the Kenya Vision 2030[1] and the Revised National Development Strategy for South Sudan. Micro, Small and Medium Enterprises (MSMEs) are important contributors to job creation and economic development. Formal MSMEs contribute up to 40% of GDP in emerging economies and create 7 out of 10 jobs[3], however a key obstacle identified hindering MSME growth is access to finance.

The job creation and enterprise development impact area focus on supporting MSME growth and job creation through financial services and products, mentoring, training, and market access.

SEE Pillar	SDG	Targeted social value to be created	Activities resulting in impact within the business and society
Job creation & enterprise development	SDG 8 DECENT WORK AND ECONOMIC GROWTH	• Job creation. • Protection of labour rights. • Develop the MSME sector contributing to socio-economic development. • Higher levels of economic productivity through diversification, technological upgrades, and innovation. • Achieve pay parity. • Promotion of development-oriented policies to support productive activities of MSMEs. • Empower youth through employment, education and training.	• Targets set to providing lending to MSMEs, supported through Foundation activities. • Promotion of development-oriented policies to support productive activities of MSMEs. • Screen clients prior to lending to ensure labour practices deployed are aligned to international best practice principles. • Ensure the Bank upholds labour rights across its footprint. • Empowering SMEs to transact digitally reducing their cost of operations and enhancing efficiencies. • Maximising integration across value chains to fast-track purchase of goods, payments, and deployment of investments. • Undertake salary benchmarking across the organisation and developing a strategy to ensure equal pay for equal work. • Use of the financial fitness academy to promote inclusion of youth in the labour market.
	SDG 10 REDUCED INEQUALITIES	• Promotion of diversity, equity and inclusion across value chains.	• Financial product development and platforms allowing customers to integrate financial services across their value chains. • Looking at diversity within the supply chain, and across the customer base to ensure equitable access and inclusion through launch of tailored programmes.
	SDG 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Reduce illicit financial flows. • Strengthen the recovery and return of stolen assets. • Reduce corruption and bribery. • Uphold effective, accountable and transparent institutions.	• Maintaining robust vetting of transactions, ensuring adherence to internal money laundering and anti-bribery policies. • Active screening of clients against sanctions lists. • Enforce regular audits and implement corrective measures identified by both internal and external audit teams.

[1] Kenya Vision 2030 | Kenya Vision 2030
[2] The Revised National Development Strategy for South Sudan – 2021- 2024 | United Nations Development Programme (undp.org)
[3] World Bank SME Finance: Development news, research, data | World Bank

Achievements in 2022

Stanbic Partners

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Inputs:

- KShs 12 billion target had been set to lend to MSMEs to facilitate growth and development of the sector.
- KShs 43.3 million invested in training our people in 2022.
- Training and development of employees and clients on ESG and climate risk.

Outcomes:

- Achieved 83% of target set for lending to the MSMEs in 2022.
- MSME growth due to interventions provided in the form of grants, training and access to commercial loans.
- Trade Finance Specialist Certification 13 employees.
- 150 New employees onboarded.
- Current leadership council is more than 50% female.
- 5% increase of permanent female employees.
- 40% of senior managers are women.
- 50,807 MSMEs and individuals trained on ICT and entrepreneurship skills.
- 1,300 people trained via the financial fitness academy.
- Engagement with Microsoft to equip small enterprises with digital skills.
- Ensuring all lending followed strict vetting procedures including KYC, anti-money laundering, anti-bribery and corruption protocols.

Soko Kijiji Groceries Digitises Mama Mbogas in Nairobi City Park

Benson said "The grant funding provided allowed us to upgrade the business. We grew our revenue by two-fold and the employee base 4-14 people initially, we only had 100 women in the network, we are now able to empower over 300 of these small scale traders."

SDG 5 GENDER EQUALITY
SDG 8 DECENT WORK AND ECONOMIC GROWTH
SDG 10 REDUCED INEQUALITIES

Soko Kijiji Groceries is a grant funding recipient through partnership with the United States African Development Foundation and Stanbic Bank Kenya, is empowering women run businesses to access markets and increase business resilience.

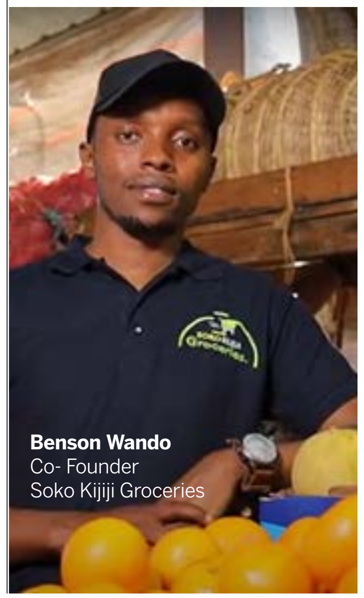
Soko Kijiji Groceries connects Mama Mbgas operating out of open-air markets with customers utilising a mobile application which allows customers to buy their products online. The benefits realised by these women include aggregation of sales and expanding market access. During the pilot phase of the project, those Mama Mbogas who participated were noted to have increased their revenue by 30%, no longer having to wait for walk-in customers, being able to sell their produce across Nairobi City and employing 1-2 additional people to help with this increased demand.

Through Stanbic Foundation Soko Kijiji Groceries were also provided with business training. The business was assisted in opening a bank account, which facilitated the collection of funds from customers. A Till number was issued at bank level allowing for the reconciliation of accounts.

"The blending of support between the Stanbic Foundation and the bank is seamless," says Benson. "The Foundation identified the needs of the business and connected us with the right people in the bank to help address this need. A relationship manager was assigned to us, the business was able to grow and become more resilient with the help of Stanbic's interventions."

Based on the business's financial performance it has automatically qualified for a line of credit. The business can access this credit in case of an emergency, by utilising the online banking platform.

"These additional benefits make us feel safe and secure, confident we can do business," says Benson. " We have through being profiled by Stanbic Foundation attracted two new partners which will help us to further scale the business. Stanbic is an African business, they understand doing business in Africa, this is about co-creation, this is a bank we can trade with anywhere through their footprint on the continent."



Benson Wando
Co- Founder
Soko Kijiji Groceries

Sustainable finance and climate change

In our pursuit of sustainable finance and addressing climate change, we actively pursue partnerships with government, development institutions, and the private sector to direct flows of capital which support protection of the environment and our natural resources, sustainability, and the fight against climate change.

We tap into and are supported by the established network across the Standard Bank Group to facilitate fund transfers and promote economic growth. Our dedicated sustainability team drives the implementation of sustainable practices while integrating sustainability reporting and climate risk measures into our processes. We aim to strengthen domestic resource mobilization through improved tax collection and leverage our brand to raise capital from multiple sources. We actively promote responsible direct capital flows to support Kenya and South Sudan's economic development.

SEE Pillar	SDG	Targeted social value to be created	Activities resulting in impact within the business and society
Sustainable Finance and Climate Change	SDG 10 REDUCED INEQUALITIES	• Encourage official development assistance and financial flows, including foreign direct investment.	• Leverage the Standard Bank Group network to allow for the easy transfer of funds between countries in the region and beyond.
	SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Adopt sustainable practices. • Integrated sustainability information into reporting cycles.	• Establishment of a standalone sustainability team to drive implementation of sustainable practices. • Extending our reporting suite to include GRI aligned sustainability reporting and providing TCFD aligned content.
	SDG 13 CLIMATE ACTION	• Integrate climate change measures into policies, strategies, and planning.	• Implementation of a climate risk strategy, including risk rating of clients, alignment of governance and risk processes, setting metrics and targets to track implementation of the strategy
	SDG 17 PARTNERSHIPS FOR THE GOALS	• Strengthen domestic resource mobilisation through improved domestic collection of tax and other revenue collection. • Mobilise financial resources from multiple sources. • Adopt and implement investment promotion regimes.	• Provide ongoing support to the government in the collection and remittance of taxes from customers. • Continue to leverage our brand and credentials to raise capital from multiple sources allowing continued on-lending to customer and the investment of additional enabling infrastructure. • Promote Kenya and South Sudan, our home, to encourage responsible direct capital flows.

Achievements in 2022

Stanbic Partners

Inputs:
- Establishment of sustainability team.
- Developed a climate risk policy.
- Fund raising exercises undertaken.
- Integrated sustainability information into reporting cycles.
- Integrate climate change measures into policies, strategies, and planning.

Outcomes:
- Increased levels of capital available to deploy to customers.
- KShs 3.1 billion in taxes paid due to Stanbic operational earnings, up 22% from the previous year.
- Assisted Government with the remittance of KShs xx in taxes from Kenyan businesses.
- Screening clients to assess climate risk, and how they have assessed this risk across their supply chain.
- Screened own supply chain to determine risk factors associated with poor ESG management including climate risk.
- Continued to track levels of over indebtedness in the client base and implement measures to reduce NPLs.
- Group have achieved NPLs below industry benchmarks, reporting NPLs of 9% for 2022.
- Credit risk screening undertaken:
  - Prior to lending, clients were educated on the impact of air, water, and land pollution on the health and well-being of community members.

Trade and Investment

Financial value creation is created through our targeted impact area, trade and investment, facilitating international trade and investment, and contributing to economic growth in Kenya and South Sudan. To achieve this, we leverage the extensive network of the Standard Bank Group to maximise access to markets. We provide our clients with economic data and services that facilitate foreign exchange trade and investment, enabling them to expand their export capabilities, investment opportunities. and access to markets. Our commitment to facilitating international trade is aligned with our broader goal of fostering sustainable and inclusive economic growth.

SEE Pillar	SDG	Targeted social value to be created	Activities resulting in impact within the business and society
	SDG 17 PARTNERSHIPS FOR THE GOALS	• Support the increase in exports. • Increase in foreign investment. • Economic development in Kenya, South Sudan and the region.	• Maximising access to markets through leveraging the Standard Bank Group network and promoting trade through use of economic data shared with customers, and provision of services that facilitate FX trade and investment.

Achievements in 2022

Stanbic Partners

Inputs:
- Leveraged the group network to facilitate access.
- Leveraged know how to provide advice on trends and risks noted in the market.
- Leveraged our networks to expose customer to trade partners.

Outcomes:
- Accelerated access to trade finance solutions to the value of KShs 76.4 billion.
- Through Stanbic borderless banking, clients were able to make real-time transactions across Kenya, Uganda, Tanzania and South Sudan.
- In 2022, over **USD 800 million** in turnover was achieved through borderless banking and **KShs 76 billion** in commercial letters of credit and Guarantees were provided.

Materiality

Explanation of the process

The challenges facing our society and planet, such as climate change, biodiversity loss, and inequality, require collective action to build a sustainable future. Companies and organizations in Kenya and South Sudan have a crucial role to play by aligning their long-term strategies with the well-being of people and the planet.

To contribute effectively to sustainable development, companies such as ours must understand and manage their positive and negative impacts in a transparent, trusted, and objective manner.

An assessment of our current operations has identified key sustainability themes or issues which need to be considered when identifying ESG risks to be managed. These are linked to key processes which could be impacted on if ESG risks are not managed adequately. These ESG risks are grouped into five sustainability topics, which are then assessed based on their levels of materiality to the business.

These material topics assessed are:

- Reputational Risk
- Financial Risk
- Operational Risk
- Legal Risk
- Climate Risk

Our materiality approach

In line with the concept of "double-materiality" proposed by the European Commission, we have adopted a materiality approach that recognizes the importance of considering both financial and non-financial impacts. We believe that environmental and social impacts should not be deprioritized solely because they are not financially material, nor should financial impacts overshadow the broader societal implications of an organization's activities. By employing a double-materiality approach, we gain a comprehensive understanding of what is material in complex corporate settings. This analysis requires us to engage directly with a wide range of stakeholders, considering their diverse and sometimes conflicting perspectives on material sustainable topics. This level of stakeholder engagement fosters reciprocal accountability between our organization, stakeholders, and society at large, facilitating discussions and evaluations on sustainable development.

Our materiality analysis informs our short, medium as well as our long-term investment decisions. Research by the European Commission has shown that investments in material sustainability issues can enhance firm financial performance, while non-material issues have no impact. Therefore, by focusing on material issues, we ensure that our investments align with both sustainability goals and financial success. Our materiality analysis also benefits our shareholders and stakeholders. Analysts perceive sustainability disclosures on material issues to be signals of good performance in environmental and social areas, enhancing transparency, and lowering uncertainty, leading to more accurate forecasts. For stakeholders, understanding the material issues facing the Bank is crucial to evaluating the effectiveness of how the Bank is addressing their needs and concerns.

We have mapped out the sustainability themes and concerns raised and linked these to the core business processes which has allowed us to group these themes into five key areas which were rated for significance to the business in a ranking exercise. This ranking exercise takes into account the concerns raised by each of our stakeholder groups.

Overview of the five key material sustainability topics

The table below presents the material sustainability topics to be considered. We have been able to actively explore the benefits to both the organisation and society when effectively managing these risks. This table provides insights into the strategic importance of managing these risks and emphasises the positive outcomes achieved through responsible risk management practices.

2022 Material Sustainability Topic Identified	The Issue Defined	Benefit to the organisation by managing the risk	Benefit to Society by managing the risk
1 **Reputational Risk** High Risk	• The need to maintain the trust of our customer base to ensure they continue to bank with us. • The need to preserve the trust of society to grow our brand recognition, retain existing customers, and attract new customers to the business. • Safeguarding our brand and reputation is required to maintain market share and to enhance the sector through deployment of thought leadership initiatives.	• Growth in market share by value of book. • Expanding customer base. • Improved shareholder value. • Remaining a trusted and reliable partner.	• Enhanced level of access to financial services. • Enhanced level of financial literacy. • Seen as a trusted developmental partner in society through foundation activities and follow through with Banking services. • Offer a wide range of products and services to underserved segments.
2 **Financial Risk** High Risk	• Adequate screening of our customer for E&S risks are required to avoid onboarding customers with high E&S risks that could experience disruptions in operations that affect future loan repayments or devaluation of a assets impacting the value of collateral used to insure repayment of loan in case of default.	• Reduces the non-performing loan book and loan loss ratio's. • Future proofs the business. • Assists with identifying opportunities to innovate products aligned to promoting mechanisms to reduce these E&S risks in the underlying customer base. • Improves decision-making within the organisation to avoid investments or loans with negative environmental and social impacts. • Reduces negative environmental and social impacts linked to lending activities.	• Through awareness raising and capacity building, helps reduce pollution, protect natural resources, and mitigate climate change. • Improves the lives of people in communities, reducing poverty, and promoting social justice. • Creates jobs, boost economic growth, and make economies more resilient to shocks and stresses.
3 **Legal Risk** Low Risk	• The Bank should exercise caution when assessing a clients' level of E&S liabilities, as this can impact the financial performance of the customer if fines and penalties are levied by authorities. The bank can also be held liable for environmental or social impacts caused if they hold an equity stake in the business.	• Avoid liability for environmental and social harm. • Comply with environmental, social and legal regulations to protect community's and the environment and to promote good labour relations and health and safety in the customers workplace.	• Safeguarded labour rights, enhanced employee wellbeing and improve working conditions. • Mitigated risks and adverse impacts on communities related to a customer's business or project activities, equipment, and infrastructure.
4 **Operational Risk** Medium Risk	• Losses from inadequate or failed internal E&S processes, people and/or systems. • Poor tracking and recording of incidents resulting in the inability to update and changes systems to mitigate the impact during future similar events. • Business disruption as a result of failures due to either internal or external events • Risks persist as the Bank has not ensured appropriate controls and action plans have been put in place to mitigate E&S risks. • Insufficient capital allocation to cover this risk.	• Minimize the recurrence of incidents related to E&S risks due to the implementation of enhanced systems and training of staff to identify and respond to these risks. • Apply an Advanced Measurement Approach (AMA) ensuring adequate regulatory capital is put in place to cover this form of operational risk.	• Avoid over indebtedness in the customer base through application of processes to avoid lending to customers who cannot afford the repayments. • Educating customers on how to future proof themselves or their businesses so that they can access lending to grow their businesses and personal wealth.
5 **Climate Risk** High Risk	• Understanding the impact of climate-related physical risks on the assets and operations underlying a transaction and if measures are in place to mitigate these risks if not how the bank can influence the lender to implement these measures. • Inability to identify, assess and where possible, mitigate climate-related transitional risks that counterparties are exposing the Bank to resulting in potential future default. • Understanding the contribution climate change can have on human development and how to de-risk the Bank's portfolio against this.	• Protect the bank's assets, reduce financial losses, and prevent reputational damage. • Enhance decision-making and lending practices.	• Minimize investments or support for projects that exacerbate global warming, to protect the wellbeing of society and the environment. • Enhance levels of understanding of the customer base and broader community to the risks of climate change and how to mitigate and adapt to this risk to avoid the adverse impacts of climate change.

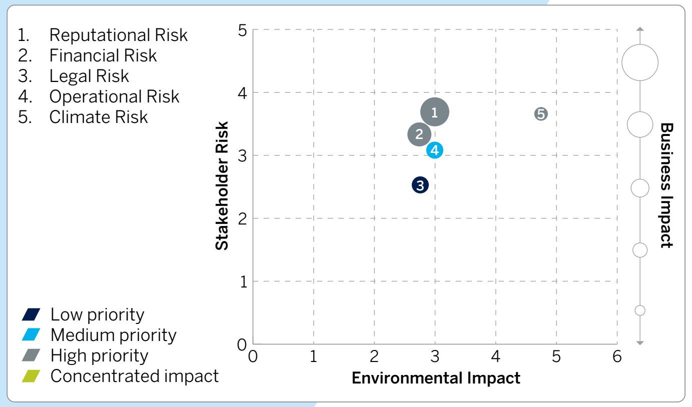
Materiality determined

At Stanbic Bank, we prioritize the identification and management of material risks that have a significant impact on our operations and stakeholders. To assess the importance and urgency of these risks, we have employed a robust materiality scoring system that takes into account various factors.

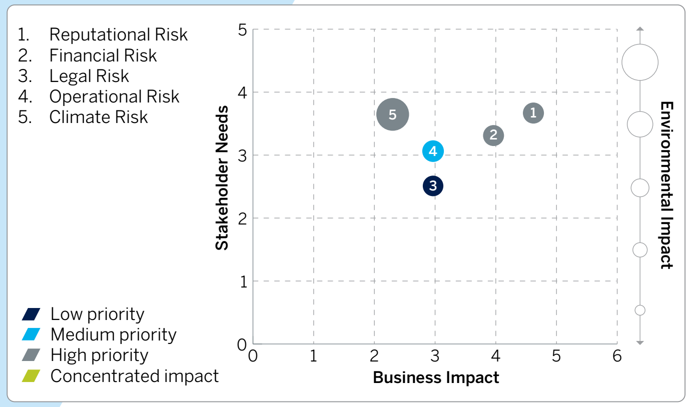
The following graphs represent the results of stakeholder engagements, where participants were asked to rate the risks based on their perceived significance to impacting the environment or the business if not managed adequately:

Assessing the impact to the biophysical environment, not managing climate risk is perceived to have the largest impact on the biophysical environment with a score of 4.8 out of 5, however based on the size of the circle the impact on the business is perceived to be small. Reputational risk is of higher risk to the business based on size and carries a significant level of importance to stakeholders (score of 3.7) as does climate risk (Score 3.6) but is only perceived to have a moderate impact on the environment if not managed adequately. Financial risks are currently perceived by stakeholders to have a strong linkage to environmental performance as stakeholder needs scored above 3. Operational risks are listed as being of medium risk to the Bank with Legal Risks perceived to be of low risk when assessing impact on the biophysical environment.

Ranking of low, medium and high risk are based on the percentile of responses which fall above the 66th percentile (high) or below the 33rd percentile of responses (low). Those responses falling in between this band were rated as being of medium risk.

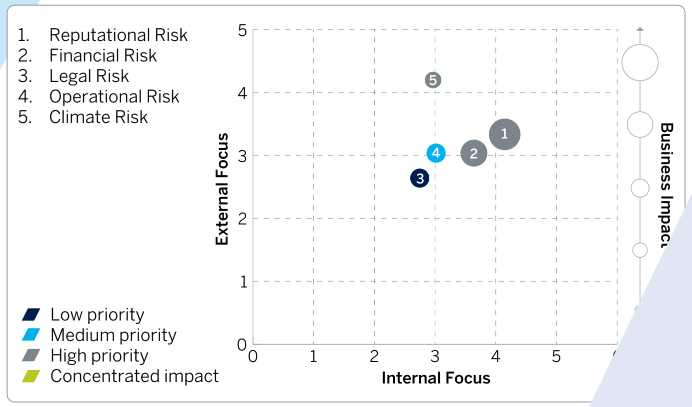


Reflected differently with a focus on how these risks are perceived to impact the business performance if not managed adequately, reputational risk and financial risk was deemed to be highly significant by stakeholders scoring above 4 respectively. Climate risk still remains significant to addressing stakeholder needs however impact on the business if not managed adequately is deemed to be moderate.



Legal and operational risks are important from a business perspective with scores of 3, indicating they are required to be maintained to ensure optimal performance outcomes against business strategy.

From a double materiality perspective (combining the outputs assessed above), we are able to determine the final rating of our material sustainability topics. From an internal perspective, there is a growing recognition within our organization of the crucial role played by the environment and society in supporting the achievement of our strategic objectives as indicated above. Climate risks, in particular, are perceived as posing a significant threat to our operations from the perspective of our stakeholders. However, from an external standpoint, the perception of climate risk is considerably moderate. These disparities provide valuable insights that guide both our internal and external sustainability strategies. Managing reputational risk emerges as a key priority as we strive to minimize our environmental impact. This includes the gradual phasing out of high-emitting sectors from our loan and investment portfolios. These internal and external considerations inform our approach to risk management and sustainability, allowing us to align our efforts with stakeholder expectations and our strategic goals.



Governance structure

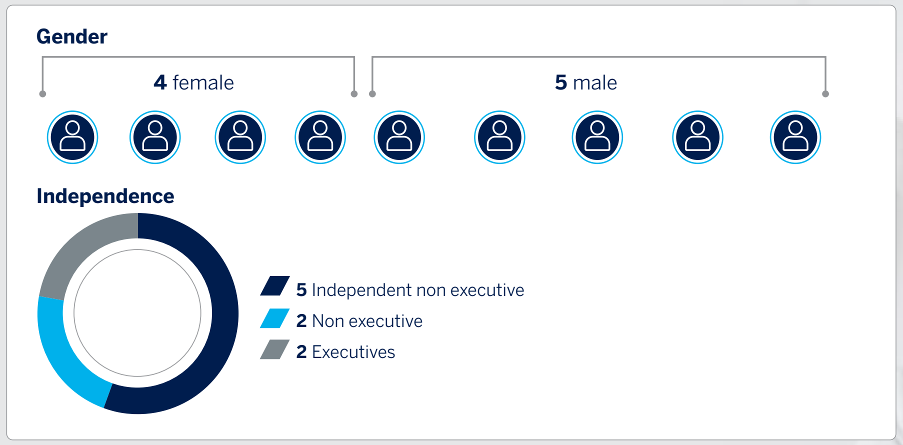
Our board

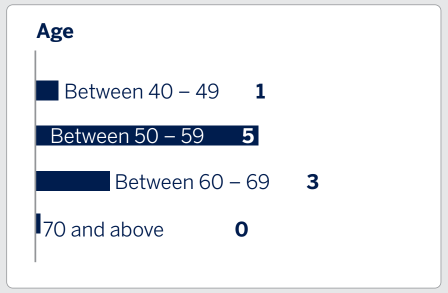
The Board of Directors is a highly competent and diverse group, with a majority of non-executive directors who bring a range of skills and perspectives to ensure effective governance. The Board is responsible for overseeing the company's corporate governance, implementing its vision and strategic objectives, managing risks, and upholding its corporate values.

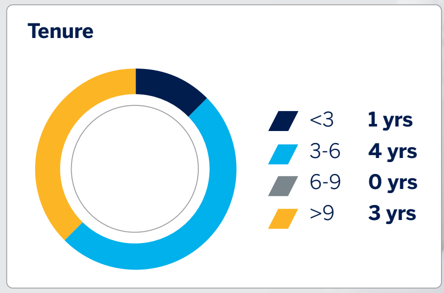
The Board mandate outlines the Board's role in decision-making, including the review of operational and financial objectives, strategy development, internal controls, regulatory compliance, and succession planning. Directors are expected to demonstrate ethical leadership, exercise due care and skill, and continually enhance their knowledge and skills. The Board holds regular scheduled meetings and can convene special meetings as required. Directors are required to disclose any potential conflicts of interest and act in the best interests of the Company. The Board is supported by a Company Secretary who is a member of the Institute of Certified Public Secretaries of Kenya (ICPSK) and maintains good standing.

Board diversity

Board diversity is crucial for Stanbic's sustainability aspirations. Our diverse board brings a range of perspectives and experiences to the table. We prioritize promoting diversity and inclusivity across the organization, particularly within the board. We have recognized the significance of a diverse board in enhancing decision-making, driving innovation, managing risks, and engaging stakeholders. A diverse board ensures that Stanbic addresses material issues for all stakeholders, including employees, customers, investors, and the communities in which we operate. The demographics of our board are as follows:







Director appointment

Directors are nominated by the Group Board Nominations Committee. The committee considers candidates' experience, availability, fit, and capacity to fulfil their roles. They also assess other directorships and commitments to ensure sufficient time for their responsibilities. Candidates must meet the criteria clearly outlined by the regulatory bodies. The committee also emphasises demographic and gender diversity as stipulated in our Promotion of Diversity Policy available on page 121 in the Stanbic Holding PLC 2022 Integrated Annual Report. Appointments comply with the Companies Act, 2015, the Capital Markets Act of Kenya, and related regulations. Directors hold office until the next Annual General Meeting and may be elected by shareholders based on the Board's recommendation. The process ensures careful selection and adherence to regulatory requirements.

Empowering our leaders

The Company Secretary is responsible for the induction and ongoing training of directors. Newly appointed directors are required to adhere to the Group's Code of Ethics and undergo an induction program.

Training themes for directors are scheduled in advance and cover various topics, facilitated by internal and external experts, as well as inputs and recommendations from outcomes of the annual board evaluation. Directors are regularly updated on new laws, regulations, and changing risk profiles.

The trainings aim to update board members on local and global changes in laws, regulations, policies, and practices. In 2022, the Board met the minimum training requirement, covering topics such as reward management, ESG principles, data protection, fintech regulations, blockchain technology, equity and debt capital markets, artificial intelligence, and anti-money laundering compliance. More detail is provided on page 116 of the Stanbic Holdings PLC 2022 Integrated Annual Report.

Board review

The Chairman, with support from the Company Secretary, conducts an annual review of the Board's effectiveness. This includes assessing the overall effectiveness of the Board as a whole and the contributions of each member through peer evaluations. The assessment results are discussed by the Board, and the Chairman provides individual feedback to each Director based on the peer evaluations.

The evaluation findings and recommendations are discussed and tracked by the Board, with progress reported in subsequent meetings. The evaluation outcomes inform the annual board training plan, focusing on areas identified for improvement.

Remuneration policies

We ensure that its Non-Executive Directors receive fair and reasonable remuneration in line with market standards, considering the skills, knowledge, and experience required for their roles on the Board. The details of the remuneration paid to both Executive and Non-Executive Directors are disclosed in the Directors Remuneration Report, as required by the Companies Act, 2015. The remuneration for directors is reviewed annually by the Board.

The remuneration methodology for Executive Directors is designed to consider the interests of all stakeholders, including shareholders. It combines a top-down approach that provides overall guidance, a bottom-up approach based on executives' assessments, and careful consideration of shareholder and stakeholder concerns. The focus is on sustainable performance and long-term growth of the business, aligning shareholder returns with executive and employee rewards over a three to five-year period. The remuneration committee reviews performance to ensure that earnings reflect planned outcomes over multiple years.

Compensation

The fees for non-executive directors, who also serve on Board committees, are determined by considering market conditions and benchmarking against remuneration offered by peer banks. Non-executive directors receive fixed fees for their service on the Board and its committees. There are no contractual arrangements for compensation for loss of office, and non-executive directors do not receive annual incentive awards or participate in the Group's long-term incentive schemes. The Nominations Committee reviews the fees for non-executive directors annually and presents recommendations to the Board for approval by shareholders.

*Additional information can be found on page 127 of the Stanbic Holdings PLC 2022 Integrated Annual Report.

Governance approach to sustainability

At Stanbic, we appreciate the importance of effectively managing E&S (Environmental and Social) risks within our operations. Our approach to E&S risk management is aligned with Kenyan and South Sudanese regulatory requirements as well as the Standard Bank Group Risk framework, adapted and localised for the East African region context.

This framework supports the management of risk across our enterprise as well as within the communities we operate. Responsibility for managing risk ultimately lies with the board and we have established governance structures that ensure accountability and oversight.

Risk management is an enterprise-wide endeavour, applicable to all levels of our organisation. It is an integral element in the execution of our strategy and value proposition. To ensure a comprehensive understanding of the risks we face, we categorize them into strategic, financial, and non-financial risk categories within our risk universe. Annually, we identify key enterprise risks that have the potential to significantly impact our strategy and value proposition to our stakeholders. These risks receive focused management attention to mitigate their potential impacts. We also continuously scan our external environment to identify any changes that may affect the relevance of our risk universe.

We adhere to the three lines of defence model, which promotes transparency, accountability, and consistency in risk management. This model clearly identifies and segregates roles, emphasising individual responsibility and collective oversight, while ensuring comprehensive escalation and reporting mechanisms.

Management of business lines	Independent oversight	Internal Audit
1st Line of Defence	2nd Line of Defence	3rd Line of Defence
• Holds the responsibility of identifying, assetting, measuring, and controlling risks within the day-to-day activities of the business guided by governance frameworks.	• Consists of functions such as finance, risk management, compliance, legal, and government departments duty. • Report to management and Board governance committees, providing assurance and guidance. • Monitor compliance with standards and frameworks through periodic self-assessments.	• IA operates under a mandate from the Board Audit Committee. • Provide objective and independent assurance of the first and second lines of defence • IA has the authority to determine the scope and extent of work independently. • Report to the Board Audit Committee.

By following the three lines of defence model, we strengthen our governance structure and risk management practices, enabling us to effectively identify, assess, and mitigate risks across the organization. This comprehensive approach helps us maintain transparency, integrity, and responsible business practices.

ESG governance

E&S governance is a critical part of our E&S risk management strategy, designed to effectively manage E&S related risks and minimise any negative impact on the environment, society, and the economy.

We are committed to ensuring responsible business practices in all aspects of our operations, including who we conduct business with and what we finance.

Our strategy is guided by regulatory requirements and is aligned to various voluntary frameworks such as the Equator Principles and Principles for Responsible Banking (PRB). These frameworks provide valuable guidance and best practice for managing E&S risks along with opportunities.

Our E&S governance structure is operationalized across the three levels of management : **strategic, tactical, operational and supported by existing governance documents (Standards, Policies, Frameworks, Guidelines and commitment statements) and tools.** This approach provides a comprehensive framework for integrating E&S considerations into our decision-making processes at all levels of the organisation. It guides alignment between our strategic objectives and our E&S goals, implement effective operational practices, and ensure compliance with relevant governance requirements.

Strategic level

Our board is responsible for guiding the group's strategy, overseeing our progress against our strategic priorities and value drivers. This includes the delivery of positive SEE impact, and assessing the effectiveness of our risk management processes, strategy and governance standards.

Our board is supported in this function through board committees, with specific ESG focused responsibilities unpacked as follows:

Committee	Role
Board Risk Committee (BRC)	• Approves updates to E&S risk standard and policy. • Monitors material stakeholder issues, and ensures they receive appropriate attention from board and management. • Guides alignment between group strategy and climate commitments and monitors progress against locally set climate commitments and targets. • Oversees adherence to E&S risk management system and policies. • Monitors climate risk exposure. • Assesses executive performance against SEE and E&S metrics.
Board Credit Committee	• Considers enterprise-wide risks, emerging risks and events, including E&S risks, that may directly/indirectly transmit into the Credit book and portfolio and overall impact on the group's risk profile.
Stanbic Kenya Foundation Limited (SKFL) Board	• Oversees alignment between the Bank's strategy and SEE value drivers. • Tracks opportunities in society to maximise social, environmental and economic value. • Identifies opportunities in society which the Bank can participate in to enhance delivery of their strategy.

Tactical Level

At a tactical level , the senior management committees play a crucial role in managing E&S risks. It involves the active involvement and responsibilities of executive management which is informed by our three lines of defence.

Below is an overview of how the senior management contributes tactically :

Environmental Issues

- Actively assess and manage environmental risks, including identifying ways to reduce our environmental footprint, supporting biodiversity conservation, and addressing climate change risks through sustainable practices.

Social Issues

- Integrate social considerations into decision-making processes and strive to minimise any adverse social impacts.

Governance Issues

- Overseeing and ensuring effective governance practices in areas such as ethics and conduct, prevention of financial crime, information security, and cybersecurity.
- Establish and enforce policies and procedures to mitigate risks in these areas and engage with diverse stakeholders to address governance-related concerns.

With new emerging threats to the business such as climate change, the Leadership Council (LC) is responsible for overseeing implementation and adherence of policies put in place to manage these risks. This includes performance against set targets, ensuring reports are submitted to the board regularly on progress made.

The LC ensures that governance structures, policies and processes are appropriate and adequately identify and resolve E&S related risks. It fosters accountability for E&S risk management across the Banks footprint, enforces through incorporation of E&S criteria in performance reviews with staff. Additional subcommittees have been set up to facilitate tracking and management of these activities.

Subcommittee	Role
Risk and Conduct Committee (RCC)	• Oversees SEE impacts, including climate related impacts. • Monitors stakeholder issues and concerns. • Ensures alignment with code of ethics and conduct, human rights statement, E&S risk management framework, climate policy and targets • Ensures climate-related risk identification, classification, analysis, monitoring. • Oversees non-financial risks and governance. • Promotes a compliance culture and ensures the effective management of compliance risk across the Bank.
Credit Risk Management Committee (CRMC)	• Ensures effective E&S risk management in line with group risk appetite. • Ensures reporting is embedded in enterprise-wide risk management system, including client and transaction screening and due diligence.

Operational level

Relevant executives, teams and committees are responsible for ensuring that E&S considerations are incorporated across the Stanbic's business activities. At an operational level the team is responsible for the day-to-day execution and tracking of E&S at business unit level. This includes ongoing structured reporting and capacity building.

SEE Committee	• The SEE (Social, Environmental, and Economic) Committee is responsible for overseeing and promoting E&S considerations within the organization. • Ensures that social, environmental, and economic factors are incorporated into business decisions and activities, aligning them with the company's sustainable development goals. • Focuses the business on customer wealth generation, and tailored solutions and products to grow the SME sector. • Provides products and tools aimed at promoting trade, and sustainable financing with a specific focus on combating the effects of climate change. • Track and monitor the set target as well as reviews strategy.
Credit Committee	• Considers E&S factors when assessing credit risks and making lending decisions. • Evaluate potential social and environmental impacts of financing activities and ensure alignment with the company's E&S objectives.
Stanbic Foundation	• Dedicated team responsible for managing the company's philanthropic and community investment initiatives. • Promote positive social and environmental impacts through strategic partnerships, community engagement and sustainable development projects. • Promotes activities across the Banks footprint that promote financial inclusion, job creation and enterprise development, with a specific focus on the SME sector. • Establishment of strategic partnerships to promote the SEE impact objectives.

Supporting policies

Click here for more of our governing policies

Climate Policy

- Our climate policy is in line with the group's commitment to achieving net zero for financed emissions by 2050 and reduction of scope 1 and 2 emissions for our own operations by 2030 for newly built facilities and 2040 for existing facilities.
- Our climate policy further considers our commitments made to national determined contribution and sustainable development plans in Kenyan and South Sudan.

Whistleblowing Policy

- Our whistleblowing policy enables employees and external stakeholders to report any behaviours or actions that are believed to be inconsistent with the company's values, code of ethics, and conduct.
- Stanbic's whistleblowing policy aims to create a safe and confidential environment for stakeholders to report concerns and contribute to maintaining ethical standards and integrity within the organisation.
- The whistleblowing policy provides for the protected disclosure of any unlawful, irregular, or unethical behaviour encountered by employees, in accordance with applicable laws such as Kenya's Bribery Act of 2016.
- Stanbic will take appropriate disciplinary action against individuals who make false disclosures in bad faith or maliciously, or unfairly discredit another person.
- Stanbic provides various reporting channels under the policy for employees and external stakeholders to raise concerns.

Dispute Resolution Policy

- Our dispute resolution policy aims to facilitate the prompt and fair resolution of any disagreements or conflicts that may arise within the board, which have the potential to disrupt the proper functioning of the board and impact stakeholder relationships.
- The policy provides guidance on the process of resolving disputes among board members, ensuring that the adopted approach serves the best interests of the company.
- The policy emphasizes the importance of timely resolution to prevent prolonged disruptions.
- The policy ensures that the dispute resolution process is fair and impartial, allowing all parties involved to present their perspectives points of view.
- The policy provides mechanisms to maintain positive stakeholder relationships during the resolution process.

Governance policies and tools pillar

Our E&S risk management processes are based on international best practice and aligned to the requirements of the Equator Principles, the IFC Performance Standards, the Principles for Responsible Banking, and the Guidance on Climate-Related Management issued by the Central Bank of Kenya.

As a member of the Equator Principles Association, Stanbic under the Standard Bank Group commits to evaluate and actively avoid and mitigate any negative social or environmental impacts through our activities and operations. Our E&S risk management framework is supported by our code of ethics and conduct as well as other related policies and standards.

	Key policies and standards that inform our E&S governance approach are as follows:	Outputs in 2022
Code of ethics and conduct	• Guides our decision-making, behaviours and interactions with our diverse stakeholders. • Informs group policies, standards and risk management controls. • We updated the code in 2022 to ensure that our focus on achieving positive SEE impacts is effectively reflected.	• We updated the code in 2022 to ensure that our focus on achieving positive SEE impacts is effectively reflected. • We adopted a new approach to conduct risk reporting to enable strong oversight by the board and executive management. • We undertook an initial assessment to identify our material risks and impacts in respect of our employees, our clients, our supply chain and the communities impacted by our services. • Conduct risk remained within risk appetite, as assessed by the various lines of business. Conduct-related breaches were addressed within specific business areas. • We continued to enhance our complaints management framework and standards to align to client expectations and the Conduct Standard for Banks.
Third-party code of conduct	• Require all third parties contracted to provide services to the group to adhere to the third-party code of conduct based on promoting principles of value optimisation, fair and effective competition, accountability, sustainability and risk management. • The code requires all our third parties to respect basic human rights and establish a clean and safe working environment. This includes: • Not allowing forced labour, child labour or discrimination. • Paying appropriate wages. • Regulating working hours. • Respecting everyone's freedom of association. • Complying with applicable environmental and social legislation • Follow accepted environmental and social practices as applied to their sector and goods and services applied. • Prudent management of risks including climate change. • Failure to comply with the third-party code of conduct is regarded as a violation of the terms of contract and may result in termination of the contract. • The nature of information required from third parties is dependent on the nature of the risk, the type of product or service being contracted, and the type of relationship being entered into.	• The procurement processes were revised to enhance our procurement processes in line with sound corporate governance principles. • The outsourcing policy was revised and expanded to incorporate third party to ensuring alignment with group standards of quality, sustainability and commerciality. • Goods procured minimised the negative impact on the environment and communities and promoted development of businesses in Kenya. • All material and critical third parties completed a detailed risk assessment and due diligence process to assess potential social and environmental risks and impacts prior to onboarding. • We continue to engage third parties on an ongoing basis to actively manage potential risks. • All third parties are required to comply with our Anti-Money Laundering (AML) and Combating Terrorism Financing (CTF), anti-bribery and corruption, fraud and tax evasion policies. • Protection of data and information is included in all aspects of our third-party risk management framework. Our external party information risk management policy outlines minimum expectations from our third parties in protecting our information. Third parties are required to attest to the policy as part of the onboarding process.
Human rights	• This commitment includes our employees, our suppliers and service providers, and the people impacted by the projects and businesses we finance. • We define human rights as the basic and universal rights that underpin each person's inherent freedom, dignity, and equality, as outlined in the UN Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. We align with the UN Principles for Business and Human Rights in terms of understanding our role in ensuring that human rights are respected. • We seek to avoid causing human rights infringements and being complicit in the human rights infringements of other parties. We do not tolerate slavery, forced labour or human trafficking in any form and will never knowingly be party to any activity that would violate the modern slavery laws, rules and requirements that apply to us.	• We provided a work environment for our people that respects their human rights. This commitment is reflected in our people policies and practices, including our code of ethics and conduct, our human rights statement, and policies governing diversity and inclusion, harassment in the workplace, discrimination in the workplace, sexual harassment in the workplace, occupational health and safety and whistleblowing. • We exercised due diligence in deciding who we do business with and understanding the potential human rights impacts of our business relationships, purchasing, lending and investing. • We continue to combat financial crime and corruption in all its forms, including extortion, bribery, and money laundering. • We adhered to the Equator Principles in project financing transactions • We adhered to ESG risk in our supply chain and procurement processes • We encourage our clients, suppliers and business partners to avoid human rights infringements in their businesses. • We require all employees to report any alleged or suspected human rights violations to the appropriate leadership structures or via the group's whistleblowing hotline. We take appropriate steps where we discover, or are made aware, that we have caused or contributed to actual or perceived human rights abuses. This included disciplinary action, exiting a business relationships, or constructive engagements to promote better practice.

Grievance Mechanisms

We have a robust grievance mechanism in place to ensure fair and efficient resolution of customer complaints. Significant improvements have been achieved, built on fairness, accessibility, responsiveness, and efficiency principles, complying with regulatory obligations. Each business area has a framework and procedure for effective complaint resolution, supported by a complaint resolution system (CRS). Management information on complaints is analysed for root cause analysis and appropriate actions. The Bank has established a complaints management council, revised standards, and empowered employees for improved reporting and monitoring. A dedicated team, streamlined systems, and regular training support the revised framework. For more visit our complaints hotline via our website.

The complaints process unpacked

1. **Complaint is logged** at nearest branch, suite, voice branch or with the Complaints Resolution Centre
2. **Reference number issues within 24 hours**
3. Complainant is contacted by one of our employees regarding turn around time and any additional information required
4. **Regular progress reports (verbal or written) provided to complainant**
5. **Resolve complaint within expected turn around time**
6. Stakeholder is notified of investigation outcome
7. Escalation process granted if unsatisfied with investigation outcome
8. If still not satisfied, the matter is escalated to relevant Ombudsman

Credit risk processes

Our credit risk primarily stems from corporate, business, retail loans and advances, as well as counterparty credit risk associated with derivatives and securities financing contracts with our clients along with market counterparties. We approach credit risk management with utmost diligence and adherence to industry best practices. This requires the implementation of four steps.

1 Credit risk classification

- Focus on **counterparty and concentration risk.** Assessing these risks identifies potential credit losses which can be associated with a party's failure to meet their financial obligations, or over exposure of the Bank to one specific client, group, sector, market, or product. A focus on concentration risk ensures the Bank does not become overly dependent on one group for their income, which if negatively affected could impact on the Bank's own financial performance.

2 Credit risk management

- **Responsible lending culture** ensures credit decisions are made prudently, taking into account the borrowers, creditworthiness, repayment capacity and adherence to risk appetite.
- **Risk identification and assessment** allows for a clear and accurate understanding of the Bank's credit exposure in line with industry standards.
- Our **credit risk appetite** provides guidance to the levels of risk we are willing to assume, ensuring ongoing alignment to business strategy.
- **Risk appetite evaluation** allows us to adjust and respond to changes in the market.
- **Rigorous model validation** provides the assurance that the credit risk management framework remains accurate and reliable, allowing the Bank to always trust the models in use.
- **Independent review and reporting** tests the effectiveness of mitigation measures being deployed within the product lines (BCC, CIB CHNW). This capacity embedded within these units, allows for regular reviews and testing of processes in place, including the efficacy of credit risk metrics in use.

3 Screening of clients and suppliers

A pre credit screening process forms the first stage of screening and includes the following steps:

- Transaction initiation
- KYC onboarding
- E&S screening
- Pre credit risk considerations

A due diligence is then undertaken during the formal credit assessment process, which include the following steps:

- Credit deal specific considerations
- Legal documents including E&S covenanting
- Ongoing E&S monitoring

4 Pre-credit screening

Key environmental, social and governance considerations are assessed during pre-credit screening. These include:

- **Environmental risks:** Environmental impact, water and air quality protection, pollution management, sustainable resource use, impact on biodiversity and ecosystems, presence of embedded E&S risk assessments, and balancing risk and costs
- **Social risks:** Workers rights and fair treatment, child and forced labour, risks to communities, security assessments and safeguarding, land acquisition, resettlement and indigenous rights, protection of cultural heritage and archaeological resources, engagement with indigenous communities.
- **Governance risks:** Existing approach to E&S risk management, and presence of negative E&S media coverage.

Exception list

Our Exception list specifies activities for which no entity within Standard Bank Group will provide banking or lending facilities. These are summarised in brief as follows:

Mining & Metals	Prohibitions as per exceptions list, restrictions as per group policies, enhanced due diligence for uranium mining and where site decommissioning and remediation are not adequately addressed.
Oil and Gas	Prohibitions as per exceptions list and climate policy, enhanced due diligence for shale gas and shale oil, including hydraulic fracturing and transnational pipelines enhanced due diligence for transactions where site decommissioning and remediation and/or response for oil spills/ gas leaks are not adequately addressed.
Thermal coal power	Enhanced due diligence for companies operating coal-fired power plants; transactions directly related to large dams; construction of new or upgrading of existing nuclear power plants; transactions where site decommissioning and remediation and/or response for oil spills/gas leaks are not adequately addressed no finance for construction of new coal-fired power plants nor the expansion in generating capacity of existing coal-fired power plants.
Infrastructure	Prohibitions as per exceptions list enhanced due diligence for iron and steel foundries and smelters; petrochemical refineries and downstream industries; manufacture of hazardous materials; manufacture of toxic materials.
Industrial	Prohibitions as per exceptions list enhanced due diligence for iron and steel foundries and smelters; petrochemical refineries and downstream industries; manufacture of hazardous materials; manufacture of toxic materials.
Agriculture, animal husbandry and fishing	Prohibitions as per exceptions list and group climate policy; enhanced due diligence for activities in high conservation value forests or primary tropical forests; commercial logging; activities relating to palm oil or soy production; excessive fertilisation/runoff.

Our climate risk framework

To build a climate-sensitive sector inventory and assess the materiality of the climate-related risks in our portfolio, we relied on our staff and external advisory services.

Assessing climate-related risks, required us to align with our phased target-setting approach, which establishes different time horizons for short term (0>5 years), the medium term (5-10 years) and the long term (10 years) climate related risks.

Objective of our climate risk framework

To prudently manage the physical and transition risks related to climate change in line with our sustainability strategy and prudential requirements.

Our focused inputs

- Investment in tools, capacity, and capabilities to manage and mitigate climate risk.
- Build dynamic and strong partnerships to mitigate the impact of climate risk and transition out of high risk sectors to climate change.
- Working with governments and partners in embedding a climate risk plan.
- Define the Bank's climate risk policy and risk appetite.
- Upskill our people, clients, and communities to understand their climate risks.
- Undertake portfolio stress test scenarios to understand our areas of vulnerability to climate risk.

Our desired outputs

- A fully developed climate risk strategy detailing the pathway to addressing climate related risks.
- Understanding the level of physical and transitional climate related risks we are exposure to.
- A comprehensive climate risk appetite statement.
- Understanding of our embedded climate risk during capital deployment and decision-making.
- Development of new partnerships to assist with addressing the risks associated with climate change within the organisation, for suppliers and in communities.

Impacts to be realised

- Create better capital deployment mechanism in place.
- De-risked our impacted portfolio and reducing losses to our business and our customers businesses.
- Through linkages between climate risk and other forms of environmental impact, positively contribute to environment.
- Adequate planning and actions on climate related stress events.
- Establish new business and revenue streams.
- Realise positive societal impact and enhanced brand warmth.
- Ensure regulatory compliance.

Climate risk management approach

Our risk management approach is guided by three main components namely, climate screening, a risk and opportunity assessment, and vulnerability assessments.

Climate Screening

- Identify and assess climate-related risks as well as opportunities associated with our business activities during client engagements.
- Evaluate factors such as physical climate risks and transition risks that may affect our operations.

Risk and Opportunity Assessment

- Assess climate-related risks and opportunities to understand their potential impacts on our business across our value-chain.
- Evaluating the likelihood and magnitude of risks in order to identify opportunities that arise from the transition to a low-carbon and climate-resilient economy.

Vulnerability Assessment

- Evaluate the susceptibility of our business operations, assets, and clients to climate-related risks.
- Identify areas of potential vulnerability and implement appropriate measures to enhance resilience.

Scenario planning

As part of our commitment to a sustainable future, we have adopted an approach that assesses both physical and transitional risks.

In line with industry best practices, we refer to the scenarios defined by the Network for Greening the Financial System (NGFS) to guide our strategic decision-making. These scenarios provide valuable insights into potential future pathways and their implications for our business and stakeholders.

To develop our sector-level climate strategies, we leveraged the transition pathways defined in the NGFS climate scenarios. The NGFS, consisting of central banks and supervisors, has become a prominent source for scenario testing in the financial sector. Their scenarios combine climate variables, such as transition and physical risks, with macroeconomic and financial variables. This integrated approach allows us to quantify climate risks, including credit-related risks, and inform our climate targets and commitments.

The NGFS outlines six scenarios that cover a range of possibilities. The scenarios according to the significance of their related physical and transitional risks in the framework as follows:

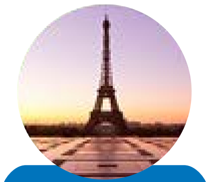
In our reporting efforts, we go beyond assessing the financial implications of climate change on our business by also considering our own impact on climate change and the associated risks to people as well as the environment. This aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and supports the Sustainable Development Goal (SDG) 13 on climate action.

Divergent Net Zero
The Bank envisions reaching net zero emissions by 2050 but with higher costs due to divergent policies across sectors.

Delayed Transition
Global annual emissions do not decrease until 2030, highlighting the challenges of delayed action.

Net Zero 2050
Ambitious scenario aims to limiting global warming to 1.5 degrees Celsius.

Below 2 degrees
Gradually increasing stringency of climate policies and provides a 67% chance of limiting global warming.



Determined Contributions (NDCs)
Assumes the successful implementation of all countries' NDCs as outlined in the Paris Agreement.

Current Policies
A continuation of the existing policy and approach without significant changes.

Identification of metrics

In our efforts to measure and disclose climate-related risks and opportunities, Stanbic has adopted a metrics methodology that aligns with industry best practices and incorporates the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

We focus on sectors that we consider to be sensitive to material levels of climate risks and opportunities for mitigating non-renewable energy emissions. Our metrics methodology follows the TCFD's definition of 'carbon-related assets,' which includes exposures linked to the energy and utilities sectors with higher relative direct or indirect greenhouse gas (GHG) emissions along with associated transition risks.

The disclosed metrics have yet to be defined but once finalised will be reported in both absolute monetary value and concentration percentages of the total banking book. These values will encompass both on- and off-balance sheet lending exposures to the relevant sectors. On-balance sheet exposure values will represent the aggregation of gross loans and advances within the banking book. To classify counterparties, we will use standard industrial classification codes based on the nature of their business activities. As our understanding of our clients' actual exposures to climate-related risks evolves, we will continue to refine these classifications.

Through the consistent application of our metrics methodology and alignment with the TCFD framework, we seek to provide stakeholders with meaningful insights into our exposure to carbon-related assets, climate risks, and our commitment to addressing the challenges and opportunities associated with climate change.

Target setting

At the group level, we have established sustainable finance and lending concentration risk-based targets for sectors identified as being exposed to material levels of climate-related risk. Kenya specific targets are however still being established. Once established these targets will be baselined to incorporate absolute emission contractions as part of our commitment to reducing greenhouse gas emissions.

Gaps identified

The following gaps have been identified which need to be closed as it pertains to climate risk management for the Bank.

Gap Identified	Who is responsible	What we have done thus far
Define climate risk KPIs and incorporate them into business unit strategies.	Risk / BTO	• Determined our carbon footprint for 2022: • 30 tonnes CO2e
Incorporate climate related risks into public disclosures, indicating the progress the bank is making to mitigate these risks.	Finance	• Integrated Annual Report and Sustainability Report in place reporting on climate risk.
Expand our stakeholder engagement to include climate risk.	Brand	• SEE impact area focusing on sustainable finance and climate change are incorporated into our sustainability report and investor engagements.

Our approach to tax management

Stanbic Bank Kenya plays an integral role and makes valuable contributions towards the development and growth of the Kenyan and South Sudan economies.

We contribute significantly to government revenues by way of corporate income taxes, withholding taxes, employees' taxes and indirect taxes such as Excise Duties and Value-Added Tax ("VAT"). We strive to optimise business success by way of transparent compliance and adhering to global reporting and other legislative requirements. This enables the Bank to minimise tax risks and to be ready for heightened scrutiny and tax audits. Our Tax Strategy outlines the framework by which our tax obligations are met from an operational and risk management perspective. In line with the realities of risk, regulation, technology and competition that characterise our operating environment, we continue to invest significantly in our diversified operations, our people and culture, our systems and infrastructure, and our brand. In doing so, we understand that our commercial success and social relevance over the long term depends on placing our clients at the centre of everything we do and ensuring that the outcomes of our activities are a catalyst for growth on this continent we call home.

Our business is conducted with integrity and transparency, in compliance with applicable laws and in accordance with the values and code of Ethics adopted by the Group. The reputation and resources of the Bank are protected by implementing reasonable procedures to prevent the facilitation of tax evasion. We support Base Erosion and Profit Shifting ("BEPS") initiatives and action plans to address the undesired consequences of different tax regimes which may lead to double non-taxation as well as the lack of transparency. The Bank is committed to providing Revenue Authorities with information (that the Bank is legally obliged to) and reporting in terms of the United States Foreign Account Tax Compliance Act ("US FATCA") legislation and the Organisation of Economic Co-Operation and Development's ("OECD") Common Reporting Standards. This legislation requires legal entities to share customer information with tax authorities to prevent tax evasion. Our Tax Strategy broadly sets out the requirements for robust corporate governances with detailed policies and procedures required to be adhered to in order to meet the Board's expectation in terms of tax compliance and risk management.

Outlook for 2023

Looking ahead, we are optimistic that our commitments to foster meaningful partnerships, invest in digital transformation, attract and develop talent, and effectively manage ESG risks will remain our priority. We are determined to create long-term shared value and contribute to the sustainable development of our economies. The pandemic a two years ago, reiterated the importance of sustainability of both our business and the communities we operate in. The current economic uncertainties and existential threats we face as a result of climate change further exacerbate the need to think broadly about our impact as a responsible corporate citizen. Our focus remains in meeting our purpose and maintain financial stability during these challenging times to enable us continue supporting our clients and communities.

GRI Checklist

GRI Standard	Disclosure Closure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	p.2
	2-2 Entities included in the organization's sustainability reporting	p.2
	2-3 Reporting period, frequency and contact point	p.2
	2-4 Restatements of information	N/A
	2-5 External assurance	N/A
	2-6 Activities, value chain and other business relationships	p.2 & 1-15
	2-7 Employees	p.15-18
	2-8 Workers who are not employees	p.75 in the 2022 Stanbic Holdings Plc Integrated Annual Report
	2-9 Governance structure and composition	p. 108-113 in the 2022 Stanbic Holdings Plc Integrated Annual Report
	2-10 Nomination and selection of the highest governance body	p.45
	2-11 Chair of the highest governance body	p. 108 in the 2022 Stanbic Holdings Plc Integrated Annual Report
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 47-50
	2-13 Delegation of responsibility for managing impacts	p.48-50
	2-14 Role of the highest governance body in sustainability reporting	p.47-50
	2-15 Conflicts of interest	p.45
	2-16 Communication of critical concerns	p.52
	2-17 Collective knowledge of the highest governance body	p.108-111 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	2-18 Evaluation of the performance of the highest governance body	p.116 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	2-19 Remuneration policies	p.122 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	2-20 Process to determine remuneration	p.131-132 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	2-21 Annual total compensation ratio	P.132 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	2-22 Statement on sustainable development strategy	p.7-9 & 19
	2-23 Policy commitments	p.7-9 & 19
	2-24 Embedding policy commitments	p.7-9
	2-25 Processes to remediate negative impacts	p.52
	2-26 Mechanisms for seeking advice and raising concerns	p.52
	2-27 Compliance with laws and regulations	p.45, 47, 54, 56
	2-28 Membership associations	p.50-53 & 122 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	2-29 Approach to stakeholder engagement	p.122 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	2-30 Collective bargaining agreements	N/A
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p.42
	3-2 List of material topics	p.43
	3-3 Management of material topics	p.44-46

GRI Standard	Disclosure Closure	Location
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	p.58 and 59 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	201-2 Financial implications and other risks and opportunities due to climate change	Still to be determined
	201-3 Defined benefit plan obligations and other retirement plans	Not reported
	201-4 Financial assistance received from government	N/A
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	N/A
	202-2 Proportion of senior management hired from the local community	Not reported
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	p.59 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	203-2 Significant indirect economic impacts	p.59 of the 2022 Stanbic Holdings Plc Integrated Annual Report
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Not reported
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Not reported
	205-2 Communication and training about anti-corruption policies and procedures	p.20
	205-3 Confirmed incidents of corruption and actions taken	Not reported
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not reported
GRI 207: Tax 2019	207-1 Approach to tax	p.56
	207-2 Tax governance, control, and risk management	Not reported
	207-3 Stakeholder engagement and management of concerns related to tax	Not reported
	207-4 Country-by-country reporting	p.136 of the 2022 Stanbic Holdings Plc Integrated Annual Report
GRI 301: Materials 2016	301-1 Materials used by weight or volume	p.58
	301-2 Recycled input materials used	N/A
	301-3 Reclaimed products and their packaging materials	N/A
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p.82 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	302-2 Energy consumption outside of the organization	Not reported
	302-3 Energy intensity	p.82 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	302-4 Reduction of energy consumption	p.82 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	302-5 Reductions in energy requirements of products and services	p.34-36
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	N/A
	303-2 Management of water discharge-related impacts	N/A
	303-3 Water withdrawal	N/A
	303-4 Water discharge	N/A
	303-5 Water consumption	p.82 of the 2022 Stanbic Holdings Plc Integrated Annual Report

GRI Standard	Disclosure Closure	Location
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
	304-2 Significant impacts of activities, products and services on biodiversity	Not reported
	304-3 Habitats protected or restored	N/A
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p.36-37
	305-2 Energy indirect (Scope 2) GHG emissions	p.82 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	305-3 Other indirect (Scope 3) GHG emissions	p.82 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	305-4 GHG emissions intensity	p.82 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	305-5 Reduction of GHG emissions	Not available
	305-6 Emissions of ozone-depleting substances (ODS)	N/A
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	N/A
	306-2 Management of significant waste-related impacts	N/A
	306-3 Waste generated	p.82 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	306-4 Waste diverted from disposal	N/A
	306-5 Waste directed to disposal	Not available
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Not reported
	308-2 Negative environmental impacts in the supply chain and actions taken	Not reported
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p.15 & 75 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p.15
	401-3 Parental leave	p.15
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Not reported
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	N/A
	403-2 Hazard identification, risk assessment, and incident investigation	N/A
	403-3 Occupational health services	N/A
	403-4 Worker participation, consultation, and communication on occupational health and safety	Not reported
	403-5 Worker training on occupational health and safety	Not reported
	403-6 Promotion of worker health	p.16
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not reported
	403-8 Workers covered by an occupational health and safety management system	Not reported
	403-9 Work-related injuries	Not reported
	403-10 Work-related ill health	Not reported

GRI Standard	Disclosure Closure	Location
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	pg.18 & 76 -77 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	404-2 Programs for upgrading employee skills and transition assistance programs	pg.76-77 of the 2022 Stanbic Holdings Plc Integrated Annual Report
	404-3 Percentage of employees receiving regular performance and career development reviews	Not reported
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p.16& 45
	405-2 Ratio of basic salary and remuneration of women to men	Not reported
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Not reported
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not reported
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	N/A
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	N/A
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	N/A
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	p.24- 41
	413-2 Operations with significant actual and potential negative impacts on local communities	p.24- 41
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Not reported
	414-2 Negative social impacts in the supply chain and actions taken	Not reported
GRI 415: Public Policy 2016	415-1 Political contributions	Not reported
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	p.11-14 & 24-41
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not reported
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Not reported
	417-2 Incidents of non-compliance concerning product and service information and labeling	Not reported
	417-3 Incidents of non-compliance concerning marketing communications	Not reported
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not reported

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