



Stanbic Bank
Zimbabwe

SUSTAINABILITY REPORT 2023



PURPOSE, VISION, AND VALUES

Our Purpose

Zimbabwe is our home; we drive her growth.

Our Vision

To be the leading financial services organisation in, for and across Africa delivering exceptional client experiences and superior value.



ABOUT THIS REPORT

Stanbic Bank Zimbabwe Limited presents its inaugural Sustainability Report (the “Report”) which forms the comprehensive ‘Report to Society’ for the year ended 31 December 2023. The Report has been prepared to provide our sustainability performance and impacts on the society, environment, and economy to demonstrate our commitment to delivering sustainable and positive impacts in Zimbabwe.

Report Scope

The report encompasses information regarding our operations in Zimbabwe. Throughout this report, unless specifically stated otherwise, references to “our,” “we,” “us,” “the Bank,” “SBZL,” or “Stanbic Bank Zimbabwe” are in reference to Stanbic Bank Zimbabwe Limited. Standard Bank Group (SBG) Limited refers to the parent Company of SBZL, headquartered in South Africa.

Sustainability Data

The report incorporates qualitative and quantitative data from multiple sources, including Bank policy documents, records, and input from individuals responsible for material issues outlined in the report. In certain cases, estimations were made to align with business activities.

External Assurance

Sustainability information was validated for compliance with the Global Reporting Initiative (GRI) Standards by the Institute for Sustainability Africa (INSAF), independent subject matter experts. The GRI Content Index is provided on pages 64 to 67.

Report Declaration

The Directors take responsibility to confirm that this report has been prepared in accordance with the GRI Standards and the contents are consistent with business activities.

Restatements

The Bank did not make any restatement of data previously published.

Forward Looking Statements

This report may contain forward-looking statements based on current estimates and projections made by Stanbic Bank Zimbabwe Limited. However, it is important to note that these statements are not guarantees of future developments and results, as they may be influenced by anticipated and unanticipated risks and uncertainties. Stakeholders are advised to exercise caution and avoid placing undue reliance on the forward-looking statements provided in this report. We are committed to publicly sharing any revisions to these statements to reflect changes in circumstances or events that occur after the publication of this report. Any updates will be communicated through notifications on our website.

Feedback on the Report

We place high value on the opinions and feedback of all stakeholders as we continuously strive to improve our operations and reporting. We welcome any suggestions or inquiries you may have and encourage you to share your valuable feedback with our Company Secretary, Adv. Neeta Joshi, on email: joshin@stanbic.com.

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01

OVERVIEW

Stanbic Bank Zimbabwe Limited at a Glance
History of Stanbic Bank Zimbabwe Limited
Bank Products and Services
Our Footprint in Zimbabwe

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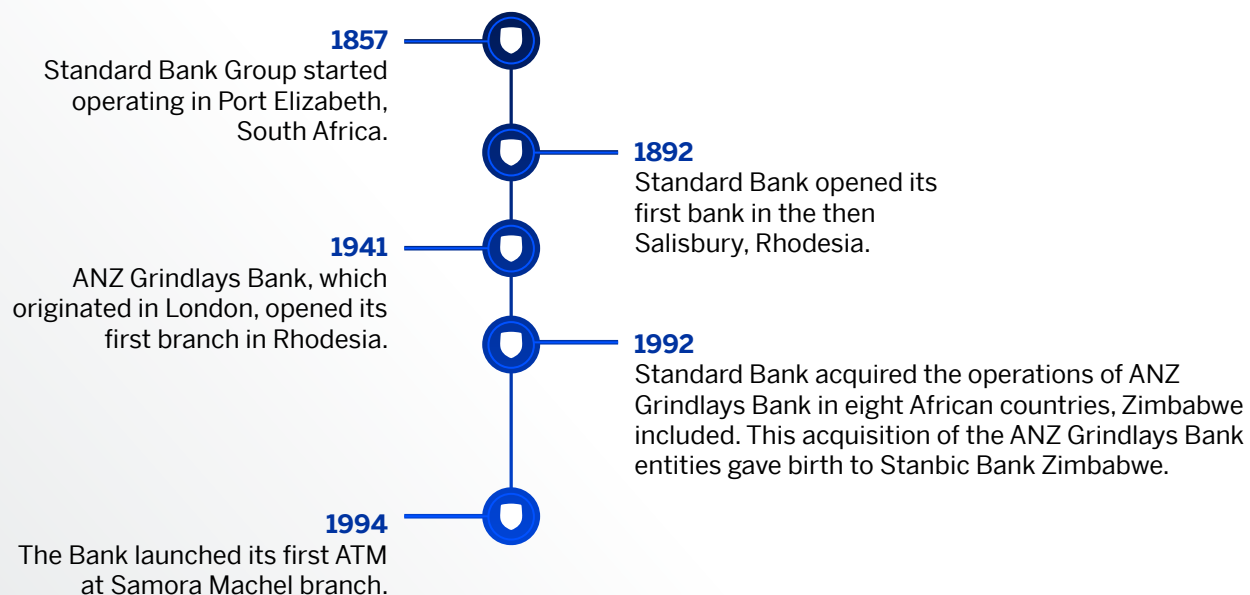


Stanbic Bank Zimbabwe Limited at a Glance

Stanbic Bank Zimbabwe Limited (SBZL) is a prominent financial institution that has firmly established its position as one of the leading banks in Zimbabwe since its establishment in 1992. As a subsidiary of Standard Bank Group Limited, one of the largest banking groups in Africa, Stanbic Bank Zimbabwe Limited brings a wealth of experience, expertise, and international best practices to the local market. The Bank offers a comprehensive range of banking services, catering to the diverse needs of individuals, businesses, and corporate clients. The Bank's team of experienced relationship managers provides personalised support and guidance to businesses, helping them grow and succeed.

With a wide network of branches strategically located across the country, Stanbic ensures convenient access to its services for customers. The Bank's Automated Teller Machines (ATMs) and point-of-sale terminals further enhance accessibility and convenience. The Bank combines its local expertise with the support and resources of the Standard Bank Group to deliver innovative, dependable, and customer-centric banking solutions. With a steadfast commitment to responsible banking practices, the Bank continues to play a role in driving economic growth and empowering individuals, businesses, and communities throughout Zimbabwe.

History of Stanbic Bank Zimbabwe Limited



Membership

- Bankers Association of Zimbabwe (BAZ).
- Marketers Association of Zimbabwe (MAZ).
- Confederation of Zimbabwe Industries (CZI).


Bank Products and Services

-  Corporate and Investment Banking
-  Personal and Private Banking
-  Business and Commercial Banking
-  Global Markets
-  Investor Services
-  International Trade Finance
-  Enterprise Banking
-  Transactional Products and Services
-  Vehicle and Asset Finance
-  Farming Finance

Our Footprint in Zimbabwe

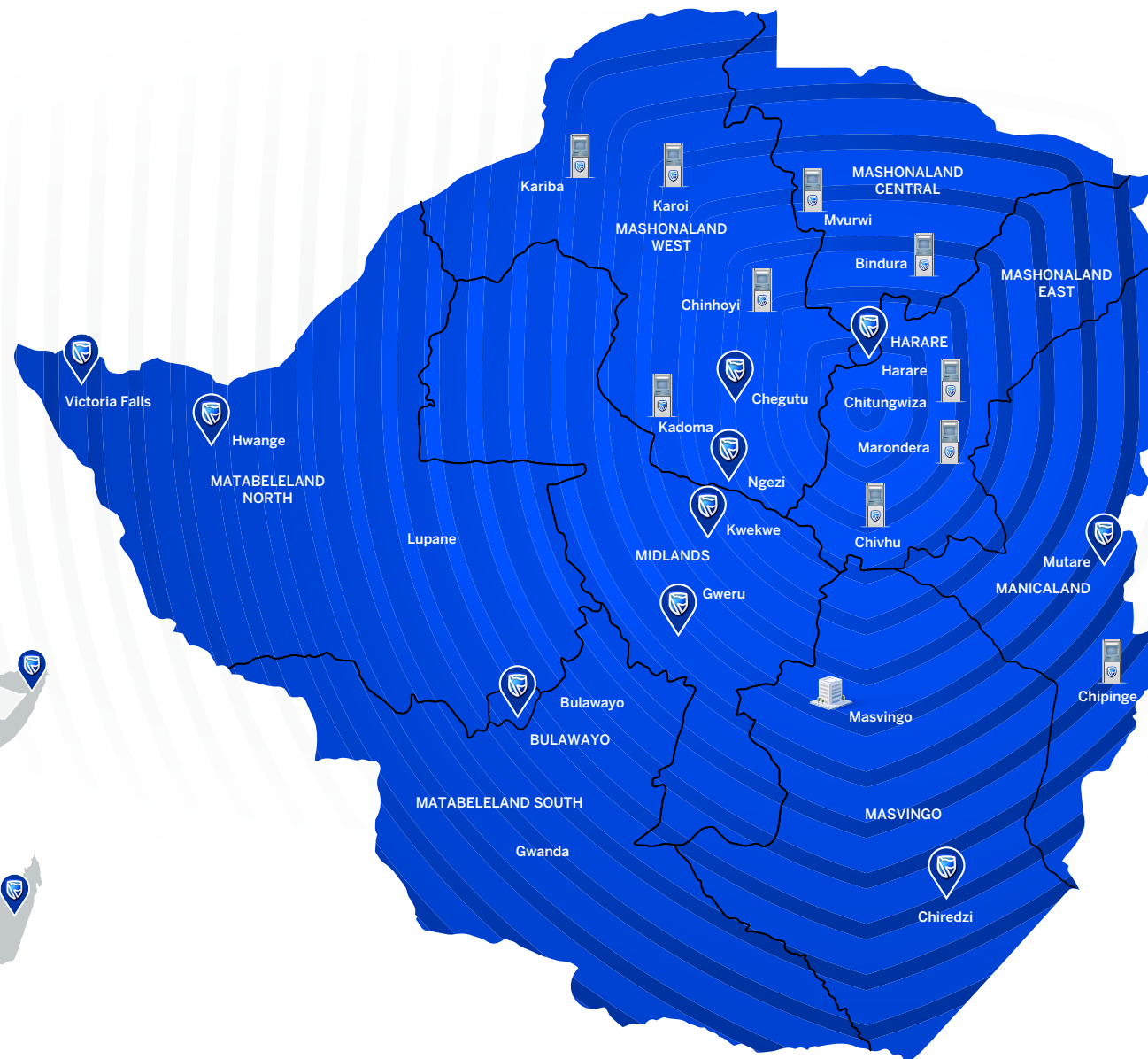
We take pride in being part of a large banking group with African roots and global reach, Standard Bank Group.

KEY

 Current Stanbic branch/ATM

 ATM (Work in progress)

 Future Stanbic branch/building























02

HIGHLIGHTS

Sustainability Highlights
Chairman's Message
A Message from the Chief Executive

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Sustainability Highlights

 Employees	 Solar Energy	 Corporate Social Investment	 Electricity
597 2023 551 2022 	270,400 Kwh 2023	US\$ 162,500 and ZWL 169,180,490 2023	1,845,500 Kwh 2023
 Work Related Injury	 Avg Training Hours per Employee	 Sustainable Financing	 Financial Literacy Trainings
1 2023 1 2022	22 2023 30 2022 	ZWL 21 billion 2023 ZWL 12.5 million 2022 	207 2023 36 2022 
 Payments to Government	 Local Procurement	 Collective Bargaining Agreements	 Suppliers
ZWL 319 billion 2023 ZWL 68 billion 2022 	ZWL 8 billion 2023 ZWL 5.8 billion 2022 	291 Employees 2023 336 Employees 2022 	153 2023 174 2022 

Chairman's Message



Our commitment as Stanbic Bank Limited is delivering a sustainable future. Our purpose is to ensure our country's growth, which is espoused in our vision, *'Zimbabwe is our home; we drive her growth'*. The Bank has deliberately embraced a proactive and responsible strategy that includes assessing the impact of economic, environmental, social, and governance issues linked to our current and future service delivery with objectives to become a leader in responsible corporate practices.

The short, medium, and long-term strategy of the Bank is anchored on leveraging the foundation being built on integrating environmental, social, and governance into our economic activities, decision making, products and services, operations, and practices of the Bank. To this end, the Board of Directors approved clear and measurable sustainability goals that align with the Bank's values and long-term objectives.

The year 2023 marked the commencement of our sustainability journey. Capacity building and awareness was raised at all levels, including the Board level, culminating in the adoption of a suitable sustainability framework, and creating appropriate governance platforms to oversee the incorporation of sustainability goals into our corporate strategy. We recognise the

importance of collaboration in achieving our sustainability and as such we will leverage on the sustainable relations we have built with our stakeholders to achieve the best outcomes.

We remain committed to contributing to sustainable economic growth in Zimbabwe, positive impacts to society, adapting to technological advancements, and innovative financial products and services for our clients and stakeholders. We will foster a culture of accountability on our sustainability impacts and remain firm in our intention to managing the risk of climate change. We will remain vigilant in monitoring and adapting to climate change, playing our part in mitigating its effects on the bank, our clients, and our stakeholders.

The Board looks forward to an inspiring sustainability journey with management, staff, clients, regulators, and stakeholders working together for a better future.

Gregory Sebborn
Chairman

A Message from the Chief Executive



The year 2023 marked the commencement of our sustainability journey, which we believe will be truly transformative. We made a bold decision to embark on a journey of embedding sustainability into our future growth plans. We are dedicated to integrating sustainable strategies and practices within our operations. This journey will underscore the Bank's commitment to its purpose *'Zimbabwe is our home; we drive her growth.'* In line with this promise, the Bank has approved a comprehensive sustainability strategy and begun aligning governance frameworks to ensure its successful implementation.

Our Commitment to Sustainability

Sustainability will anchor Stanbic Bank Zimbabwe's future growth. We are delighted with the support from the Board of Directors and the enthusiasm of our employees to foster a culture of sustainability in their respective responsibilities, following awareness and capacity building initiatives. On our sustainability journey, we will leverage on the shared values we have cultivated with our stakeholders to integrate environmental, social and governance (ESG) principles and some of the Sustainable Development Goals (SDGs).

Responsible Financing

At Stanbic Bank Zimbabwe, we are committed to making a positive difference in the economy, society, and environment. Throughout the year, our focus was on providing loan financing to support education, healthcare, water, and sanitation. In addition to our standard banking services. We were also instrumental in promoting financial inclusion, enhancing customer well-being, fostering

innovation, and advancing digitisation. A substantial amount of capital was also channelled towards supporting our clients, and we are confident that this has led to broader impacts in the economy such as job creation, increased exports, enhanced production, infrastructure growth, and improved service delivery.

Responsible business practices

Promoting responsible business practices is a fundamental aspect of Stanbic Bank Zimbabwe Limited's operations. Both management and staff are tasked with the responsibility of ensuring that the bank minimises negative impacts related to energy, waste, water, procurement, and human capital. In 2023, as we embarked on our sustainability journey, the Bank took significant strides to ensure that all employees are well-informed about the sustainability objectives of the Bank and the ethical considerations associated with our business practices. Through sustainability-focused training, awareness was raised, and capacity was built to empower Management and Sustainability Champions to effectively implement the related goals. These Champions form the core members of our Sustainability Committee, which will play a key role in overseeing that our operations are conducted in a sustainable manner, fostering of responsible practices, monitoring sustainability performance, and executing the Bank's Sustainability Strategy. Additionally, the Bank is dedicated to attaining the Sustainability Standards Certification Initiative (SSCI) led by the Reserve Bank of Zimbabwe.

Climate Change

Climate change poses a major risk in Southern Africa, and Zimbabwe is expected to be affected by the El Niño phenomenon during the 2023/2024 agricultural season. The potential impacts on the Bank, national economy, and society could be substantial, particularly for our clients in agriculture, manufacturing, and mining. Despite these challenges, the Bank is ready to address the climate change risks and is dedicated to supporting our vulnerable stakeholders. We are committed to monitoring and disclosing our climate impacts and actively contributing to mitigation and adaptation efforts as these risks become more pronounced.

Corporate Social Investments (CSI)

Stanbic Bank Zimbabwe remains committed to its responsibilities by contributing to, and positively impacting society through its Corporate Social Investment (CSI) initiatives. The programme is aligned with Standard Bank Group Limited's Social, Environmental and Economic (SEE) Impact drivers. Our CSI initiatives prioritise issues unique to Zimbabwe such as education, environmental mindfulness, health, and philanthropy in society. During FY23, the Bank contributed USD162 500 towards corporate social investment. We believe that these initiatives positively impacted the lives of people and will continue to do so going into the future, especially the vulnerable in our society. The Bank will continue to support the disadvantaged groups in the society in a sustainable manner.

Contributing to Economic Growth

The economic growth of Zimbabwe is core to the purpose and success of the Bank. Throughout the year our significant contributions included providing financing services, payment of taxes, employment, local procurement, attracting foreign direct investment as intermediaries, and supporting key national infrastructure projects in Zimbabwe.

Lastly, we are eagerly anticipating an inspiring and transformative sustainability journey for the Bank, with a steadfast commitment to uplifting communities, enriching lives, making a positive impact on businesses, and contributing to the growth of the economy.

"Zimbabwe is our home; we drive her growth."



Solomon Nyanhongo
Chief Executive

Recognition and Awards

- 1 Bank of the Year 2023**
The Banker.
- 2 Overall Best Performing Bank 2023**
Banks and Banking Survey.
- 3 Best Bank for Customer Service 2023**
Banks and Banking Survey.
- 4 Outstanding Contribution to Health and Education Support Award 2023**
National ESG Award.
- 5 Service Excellence Award 2023**
Contact Centre Association of Zimbabwe.
- 6 National Exceptional Marketing Awards Best Print Advertisement 2023**
Marketers Association of Zimbabwe



03

GOVERNANCE



Sustainability Governance
Board of Directors
Senior Management

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Sustainability Governance

Stanbic Bank Zimbabwe Limited operates within a highly regulated industry, and therefore places utmost importance on ensuring compliance with legislation, regulations, and codes of best practice. In our commitment to upholding the highest standards of corporate governance, the Bank prioritises transparency and accountability including for sustainability related matters associated with economic, environmental, social and governance impacts whether directly associated with the Bank or clients. The Bank maintains a vigilant approach to monitoring its practices and consistently evaluates their suitability and incorporation of sustainability related risks and opportunities. This ongoing assessment is crucial for ensuring that our operations are effectively aligned with our business objectives, and our effort to contribute positive impact on the community and environment.

Board Diversity and Inclusion

The Board is comprised of individuals from various backgrounds, possessing a wide range of skills and perspectives that are relevant to our business. This facilitates strong decision-making, encouraging innovation, and improving our capacity to tackle intricate challenges and seize opportunities. The Board consists of eleven members, comprising three executives and eight independent non-executive directors. Notably, the Chairperson and Chief Executive hold separate positions, with the Chairperson serving as an independent non-executive director.

Board Responsibility over Sustainability Impacts

The responsibility of the Board of Directors is extensive in relation to sustainability matters within the Bank. The Board is tasked with ensuring that appropriate controls, systems, and practices are in place to effectively govern the Bank. One of the key roles of the Board is to advocate for an integrated approach to corporate governance and sustainability by establishing a comprehensive framework that addresses all aspects of governance, such as risk management, compliance, and stakeholder engagement. The directors provide valuable insights and make informed decisions that align with the Bank's long-term goals. In addition, the Board is responsible for setting the tone at the top, establishing a culture of integrity and ethical conduct. In FY2024, the Bank will embark on addressing sustainability matters by establishing a sustainability committee which will report to the Executive Committee.

Stakeholders' Communication with the Board

We actively engage with various stakeholders, including our employees, unions, regulators, and shareholders, to gather input and feedback on our policies and structures. These engagements are crucial for ensuring that our practices are fair and responsible. We value the concerns raised by these stakeholders and strive to address them appropriately.

Board Composition



Age Distribution



Nationality



Board of Directors



Gregory Sebborn
Chairman - Independent
Chartered Accountant (CA) and Fellow of the Institute of Chartered Accountants of Zimbabwe (UK) (FCCA)

Appointed: October 2014

Experience

Mr Sebborn is a Chartered Accountant by profession but possesses a wealth of experience in governance and risk management. Greg is the former Managing Director of Zimplats Holdings Limited, a leading Platinum producer in Zimbabwe.

Greg is currently involved in the development of new projects in the mining and energy sectors. He also serves as an independent non-executive Chairman on the boards of listed entities.



Solomon Nyanhongo
Chief Executive
Chartered Accountant, Master in Business Administration (Nottingham Trent)

Appointed: April 2009

Experience

Solomon is a Chartered Accountant by profession who joined Stanbic Bank Zimbabwe Limited in 2003 as Senior Manager Finance. He was promoted to the post of Head of Finance in 2007 a post he has held until his promotion to the position of Finance Director in March 2009 and then was appointed as Chief Executive on the 1st of January 2021.



Tafadzwa Mahachi
Chief Finance
& Value Management Officer
Chartered Accountant, Bachelor of Accounting Science Honours (Hons BCompt) University of South Africa (UNISA), Post Graduate Diploma in Auditing

Appointed: March 2021

Experience

Tafadzwa is a Chartered Accountant who has been employed by the Standard Bank Group for a period of approximately 16 years. During this period, he has contributed to the development and execution of the bank's strategy in a material way. In the past, he has been seconded to other subsidiaries of the group and performed the functions required of a Chief Finance Officer and assisted to launch major projects in various countries within the Standard Bank Group. Mr Mahachi is also a director of the ZimSwitch Technologies and ZimSwitch Holdings in a non – executive capacity.



Kingston Kamba
Independent non-executive
Higher National Diploma (RGN) (Anglia Polytechnic University), Diploma in Management (Kingston College) M.Sc. Integrated Governance in Health & Social Care (Westminster)

Appointed: April 2017

Experience

Mr Kamba is the Chief Executive Officer and founder of SolGas (Private) Limited, a local business, specialising in renewable energy and a registered Independent Power Producer. In addition, Kingston has developed another start-up business, ELEONS (Private) Limited which is a gold mining and milling company.



James Museba
Independent non-executive
B.Sc., Computer Science and Mathematics, MBA, Business Management and Operations, DBA, International Business Management, Advanced Management Program, Certified Diploma in Accounting and Finance and IT Leadership Program.

Appointed: January 2023

Experience

Dr Museba is a seasoned IT and Business professional who has valuable experience across the African Landscape and the world over. Key experiences include championing the digital transformation as the Chief Information Officer at Airtel Uganda and Group Chief Information Officer for Econet Zimbabwe during the time that Steward Bank and Ecocash were established. James is now based in Johannesburg where he is running a consultancy which is involved in technology, fintech and business advisory.



Muchakanakirwa Mkanganwi

Independent non-executive
B.Sc. Economics (UZ), B.Sc. Accounting Science (UNISA), B.Sc. Accounting Science (Honours) (UNISA)

Appointed: April 2017

Experience

Mr Mkanganwi is the Chief Executive Officer of Pulse Pharmaceuticals, a leading wholesaler for Pharmaceutical products in Zimbabwe, which he pioneered in 2005. Prior to this engagement, Mucha served as the Group Chief Executive Officer of CAPS Holdings. At 31 years of age, Mr Mkanganwi was appointed as the Chief Executive Officer of CAPS, at a time where it was the largest listed pharmaceutical company and remains the youngest person to have run a listed entity in Zimbabwe. He also served as Chairman on the Board of Leap Namibia, which is a company which is into clothing manufacturing and retail in Namibia, the Boost Fellowship and has chaired the Zimbabwe Pharmaceutical Wholesalers in the past.



Betty Murambadoro

Non-independent executive
Master of Commerce in Development Finance (UCT); Master of Business Leadership (UNISA); Bachelor of Commerce (Finance) Honours (NUST); Diploma in Credit Management (IOCMZ)

Appointed: January 2020

Experience:

Mrs Betty Murambadoro is a seasoned banker, who has been in the employ of the bank for the past 19 years. She has a banking career spanning over 25 years with various institutions. She has served the bank in various capacities including Senior Manager Mining Finance, the Head of Investment Banking and Head Corporate & Investment Banking Standard Bank Eswatini (formerly known as Swaziland). Prior to the appointment as an Executive Director, she served as the Deputy Head Corporate Investment Banking and Head of Client Coverage.



Valentine Mushayakarara

Independent non-executive
B.Sc. (Honours) Accounting Science, B.Sc. International Management, B.Sc. Marketing & Finance

Appointed: April 2017

Experience:

Mr Mushayakarara has a wealth of experience in finance, management, governance, and audit. Previously, Mr Mushayakarara was employed as the Executive Finance Director and Interim Chief Executive for Celsys Limited and as an Audit Associate for both Deloitte & Touche Zimbabwe and McGladrey LLC, an international Public Accounting Firm based in New York City. For 4 years, he served Meikles Africa Limited as the Group Treasury Manager and the Group Financial Accountant. He is currently the Vice Chairperson of the Public Accountants and Auditors Board (PAAB).



Jonathan Wood

Independent non-executive
B. Econ (Rhodes), B. Comm (Honours) (UCT) & M. Sc (Durham UK)

Appointed: November 2018

Experience:

Mr Wood is a seasoned banker, who holds 20 years international corporate and investment banking experience, with a specific focus on project and structured finance. He previously worked for Standard Bank as head of Project Finance. Prior to that he held senior roles in Barclays Bank and Hambros Bank. This investment banking experience includes significant international exposure to transactions in London, Johannesburg and some management assignments in Brazil and Singapore.

Currently, he is employed as the Managing Director of Cicada Solar a Jersey Registered Company, with subsidiaries in the Netherlands, Mauritius, and Zimbabwe.



Nellie Tiyago

Independent non-executive
LLB (Pretoria)

Appointed: April 2017

Experience:

Ms Tiyago is a Partner at Scanlen and Holderness Legal Practitioners and has been in this position for the last 12 years. In her role as Partner, she specialises in mergers, acquisitions, joint ventures, tender bids, Mining Law, and Insolvency Law. She is a Registered Legal Practitioner, Conveyancer, Estates Administrator, and Intellectual Property Attorney. She has a wealth of experience in litigation in higher courts, drafting contracts and white-collar crime.



Gregroy Brackenridge

Independent non-executive
South African University Exemption – Higher Grade: English, Afrikaans, Mathematics, Science, Biology and History

Appointed: May 2020

Experience:

A banker by profession with a banking career spanning over 44 years with regional and international banking brands. He was the Regional Chief Executive, East Africa responsible for operations in Ethiopia, Kenya, South Sudan, Tanzania, and Uganda.

Senior Management

Solomon Nyanhongo (MBA, CA (Z), B.Acc. (UZ))
Chief Executive

Betty Murambadoro (MBL, PgD, B.Com)
Executive Director Corporate Investment Banking

Tafadzwa Mahachi (CA(Z), PgD,B.Acc)
Chief Finance and Value Management Officer

Nelson Muhau (MBA, B.Sc)
Head, Personal and Private Banking

Panashe Chitumba (M.Sc, B.Sc.)
Chief Risk Officer

Patson Mahatchi (MBA, B.Sc. PgD)
Head, Business and Commercial Banking

Audrey Mlambo (MBA, Dp. HR)
Head, People and Culture

Francis Chinhundu (MBA, B.Sc.)
Head, Credit

Cynthia Matarutse (CA(Z))
Head, Internal Audit

Palmer Mugavha (BA, GradD)
Head, Brand and Marketing

Sithuthukile Sibanda (LLM, LLB)
Head, Compliance

Neeta Joshi (PgD, BSoc.Sc)
Company Secretary, Head Legal & Governance

Alfred Musarurwa (Ph.D., MSc. B.Sc)
Head, Technology & Operations

Tichaona Zuze (MBA, B.Sc., Dipl.)
Head, Unayo



04

BUSINESS CONDUCT AND VALUES

Business Ethics and Compliance
Anti- money Laundering
Anti-corruption
Human Rights
Diversity and Inclusion
Cybersecurity and Data Privacy
Compliance with Socio-economic Legal and Regulations
Enterprise Risk Management
Sustainability-Related Risk Management

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Business Ethics and Compliance

As Stanbic Bank Zimbabwe Limited, we understand the importance of managing risk associated with our conduct and upholding ethical standards in achieving our strategic goals and fostering trust among our clients. This trust, in turn, leads to increased client retention and brand loyalty. Our conduct reflects our values and is the manifestation of our ethics in action. We recognise three pillars of ethical conduct which are personal, market, and societal conduct. Stanbic Bank promotes personal conduct by fostering an inclusive and supportive culture, supporting skills development, and enabling career progression for its employees. We uphold market conduct by ensuring fair treatment of clients and conducting business in a manner that is fair and transparent. We manage societal conduct by addressing our impacts on diverse stakeholders, society, and the environment.

To ensure effective management of business conduct and ethics, the Bank implemented policies that promote our ethical commitments. Our Conduct Risk Policy provides a comprehensive framework for identifying, assessing, and managing conduct risk within our Bank. Our focus is on managing conduct risk, particularly market conduct risk, and our approach is aimed at increasing awareness, promoting transparency, and aligning with our risk appetite levels. We implemented a culture-driven Conduct Risk Framework that enables us to assess and manage conduct risk across the Bank. By adopting a culture-driven approach, we prioritise ethical behaviour at all levels of the bank, aligning with our core values and Code of Ethics and Conduct. Our Code sets out our unwavering commitment to upholding ethical conduct in all aspects of our operations. It serves as a guide for our employees,

setting clear expectations for their behaviour and actions and reinforcing our dedication to treating stakeholders with fairness, respect, and integrity.

We monitor the effectiveness of our business conduct and ethics management processes by observing early warning indicators of conduct risks, analysing trends in conduct incidents, reviewing risk control self-assessment data, and assessing progress on action plans. Each business unit and corporate function assesses the effectiveness of conduct risk controls against the governance, non-financial risk, and financial crime risk control assessment matrix. Our goal is to maintain zero tolerance for illegal, unethical, or dishonest behaviour and to meet our clients' expectations for fair outcomes and market integrity. We target zero misconduct and cultural failures and use potential losses incurred due to misconduct or gross negligence as a key performance indicator for assessment.

We achieved an elevated level of engagement and commitment to enhancing awareness and understanding of conduct-related matters, with a completion rate of 99.5% for conduct-based training. We have a 100% declaration rate for Personal Account Trading and Outside Business Interest declarations, indicating strong adherence to regulatory requirements and internal policies regarding potential conflicts of interest.

Anti-money Laundering and Anti-corruption

Stanbic Bank Zimbabwe has implemented an Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) framework, which has helped us to mitigate financial crime risks. Our robust framework, which includes policies, training and digital solutions helps to protect the Bank and its stakeholders from illicit transactions. It further helps us to establish and maintain strategic relationships with partners, such as correspondent banks, which enables us to offer key products and services to our customers.

Stanbic Bank Zimbabwe Limited has established comprehensive policies and commitments to ensure we align with regulatory requirements and international best practice. The Bank adopts a risk-based approach to compliance, identifying and mitigating risks associated with various categories and types of clients.

Financial crime policies are embedded in the Bank including an Anti-Money Laundering Control Policy, approved by the Stanbic Bank Zimbabwe Board of Directors. Stanbic regulatory and policy requirements mandate reporting and investigation of any suspicious activity or other illicit activity such as bribery and corruption, with cooperation provided to relevant authorities. We are committed to continuously improving our approach to mitigate bribery and corruption risks. A whistleblower line is available for employees, suppliers, and anyone to report incidents of bribery or corruption. Our last ABC risk assessment was conducted in 2022, leading to the adoption and implementation of an enhancement plan in 2023 to strengthen defences against bribery and corruption. Mandatory ABC training is conducted annually, with role-specific training provided to employees at risk of bribery and corruption.



Human Rights

As Stanbic Bank Zimbabwe, we are committed to safeguarding vulnerable groups from abuse, discrimination, and exploitation. We embed human rights considerations into our daily activities, creating an environment that encourages freedom of speech and expression. This allows individuals to voice their opinions, engage in public discourse, and contribute to societal progress. By respecting human rights, we promote diversity, tolerance, and respect for individual autonomy. However, when human rights are not respected, there can be negative impacts such as eroded trust, limited access to justice, psychological harm, and social exclusion.

We acknowledge the presence of unfair labour practices, inconsistent application of employment policies, and favouritism towards specific employee groups, which can promote prejudice and undermine equal treatment in the workplace. To counter that we ensure adherence to the SBG Human Rights Statement, SBG Group Discrimination in the Workplace Policy, SBG Group Disability Policy, SBG Group Employee Relations Framework, and SBG Code of Ethics governance documents that govern our Human Rights practices. We implemented an Employee Relations Policy with a formal grievance process to address human rights grievances raised by employees. This demonstrates the Bank's commitment to maintaining a respectful and inclusive work environment.

The Bank aligns its governance with International Labour Organisation (ILO) Standards on Human Rights and utilises monitoring and reporting mechanisms to assess compliance with internationally recognised standards and measure progress. The Bank demonstrates and reports on initiatives that promote human rights for all through its Annual Report to Society. This showcases the Bank's commitment to protecting and promoting Human Rights throughout its operations. Effectiveness is tracked through internal and external audits, employee surveys, and media screening to identify reputational risks and gather feedback on Human Rights practices.



Diversity and Inclusion

Stanbic Bank Zimbabwe realises the value of creating inclusive environments that embrace diversity. Embracing diversity and inclusion leads to a wider range of unique perspectives, experiences, and ideas within the Bank which in turn fosters innovation and creativity. A diverse and inclusive workplace has promoted acceptance, leading to higher employee engagement and productivity. Despite efforts to promote diversity and inclusion, we anticipate unconscious biases and discriminatory practices hindering equal opportunities for advancement.

Stanbic Bank Zimbabwe is committed to fostering a diverse and inclusive workplace. Regarding recruitment, our SBZL Recruitment Policy emphasises the selection of candidates based on merit, skills, and qualifications, without any form of discrimination. In line with our commitment to learning and development, the SBZL Learning & Development Policy ensures that employees have access to training and growth opportunities regardless of their background. To manage diversity and inclusion impacts, we generate a gender pay gap report to analyse and identify any disparities within the Bank. This report helps us develop strategies to address pay inequities and promote gender equality. We conduct anonymised employee surveys to gather insights on the application of our existing policies and to identify any discrepancies. This helps in refining our approach and ensuring that opportunities are accessible to all employees. We enforce our policies vigorously and address instances of discrimination or unfair treatment promptly.

The effectiveness of actions is evaluated through market surveys that assess internal salary bands and compare them to industry standards. We set goals to promote representation, participation, support, and acceptance. Specific targets, such as achieving less than a 1% gender pay gap across all pay grades, have been established. Progress towards goals and targets is measured, and we achieved 90% gender pay parity.



Cybersecurity and Data Privacy

As Stanbic Bank, we prioritise the safety and privacy of our customer's personal information and implemented comprehensive measures to address cybersecurity threats and privacy breaches. Our efforts resulted in zero incidents of data breaches or leakage, which reinforces our commitment to protecting sensitive information and strengthens our relationship with our valued customers.

We acknowledge that non-compliance with cybersecurity and privacy regulations poses a significant risk, potentially leading to legal and reputational consequences. To mitigate this risk, we maintain strong data protection standards and policies that include third-party risk assessments to verify that our partners adhere to comparable data protection requirements.

Our preventive measures include:

- Logical Access Management Policy.
- Privileged Access Management Standards.
- Data Protection Functional Security Standards.
- Data Loss Prevention Security Standards.

We rely on key performance indicators to measure the effectiveness of our security measures and take proactive steps to address areas that need improvement. Stanbic Bank Zimbabwe prioritises employee training and established a comprehensive Incident Response Plan to address potential threats swiftly and efficiently. Our endpoint detection and antivirus systems serve as essential elements in our remedial actions to identify and mitigate threats. We regularly monitor the effectiveness of our cybersecurity controls through external and internal audits overseen by the Operations Control team, and regular reporting mechanisms in various forums. We learn valuable lessons from incidents and audits, which we incorporate into our security framework to mitigate future risks. We collaborate with stakeholders to identify significant risk areas, prioritise them, and develop our Cybersecurity Strategy.



Compliance with Socio-Economic Laws and Regulations

As a responsible and ethical Bank, we strive to be compliant with socio-economic laws and regulations in Zimbabwe. We continuously update our regulatory universe to adapt to the regulatory and policy environment changes in Zimbabwe. This helps us ensure compliance with applicable regulations that impact the bank and stakeholders. We partner with the various business units to identify regulatory requirements and document processes to be taken by the Bank to ensure compliance.

We periodically review controls through to ensure that they remain relevant and effective. Controls are tested by our assurance functions to assess their adequacy and effectiveness. We aim to do the right business the right way to ensure our stakeholders are protected and zero penalties are levied against the Bank by regulatory authorities.

Stanbic utilises internal audit reports, regulatory inspection reports, and internal compliance monitoring reports, to assess our legal and regulatory compliance performance. We aim to achieve zero penalties levied against the bank by regulatory authorities.

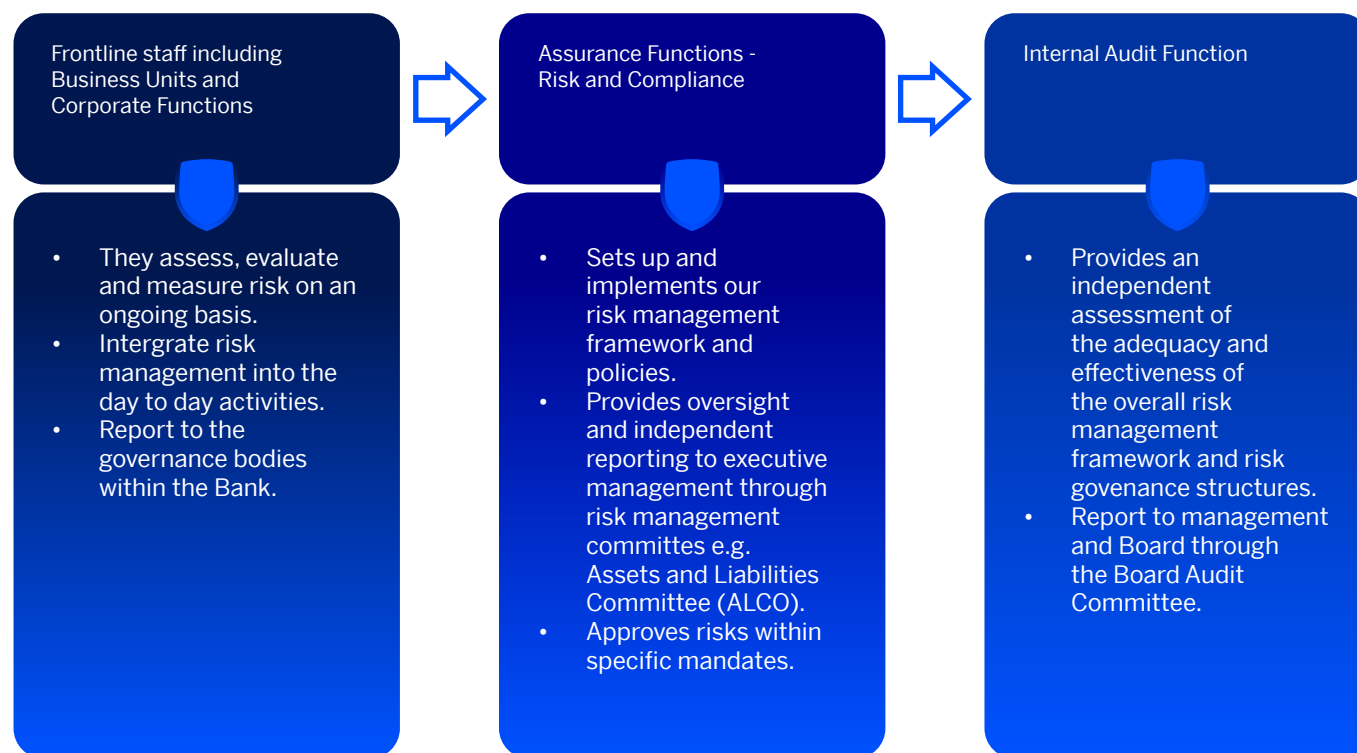
The Bank's employees and directorate are responsible for ensuring compliance with applicable legal and regulatory requirements. Some of the regulatory requirements are as follows:

- The Companies and other Business Entities Act [Chapter 24:31]
- Banking Act [Chapter 24:20]
- Deposit Protection Corporation Act [Chapter 24:29].
- Finance Act [Chapter 23:04]
- Consumer Protection Act [Chapter 14:44]
- Labour Act [Chapter 28:01]
- Securities and Exchange Act [Chapter 24:25]

Enterprise Risk Management

Enterprise Risk Management is an important aspect of the business operations of Stanbic Bank. Our aim is to reduce the potential negative impacts on earnings and equity by managing risk exposure and capital within agreed levels of risk appetite. Our enterprise risk management and control framework involve managing and controlling risks, reducing undue concentrations of exposure, and limiting any potential losses.

Responsibility and accountability for risk management are distributed from executives down to each business unit head to ensure that the Bank's reputation is protected. Stanbic Bank Zimbabwe uses the three lines of defence model which comprises of:



Financial Risk

Stanbic Bank Zimbabwe recognises the importance of effective financial risk management for the sustainability of its operations. To manage risks, a governance framework was established that outlines the roles and responsibilities of various committees. The Board of Directors holds responsibility and accountability for risk management, while delegating some functions and responsibilities to committees like the Board Loans Review Committee (BLRC), Board Risk Committee (BRC), and management sub-committees such as the Assets and Liabilities Committee (ALCO) and Risk Management Committee (RMC). Line management within the bank is responsible for managing risks that arise from their respective operations. Effective risk management provides complete, timely, accurate, and relevant information to enhance senior management's decision-making ability to:

- Calculate risk-adjusted performance measures.
- Manage earnings volatility.
- Minimise financial distress.
- Help appraise new business initiatives on a comparable basis.

Governance standards are an essential component of Stanbic's control infrastructure. They reflect the Board's expectations and requirements regarding financial risk reporting and key areas of control activity across the Bank's business units. A key component of risk management is the risk standards developed for each risk type. These standards set the principles for the governance, identification, measurement, management, control, and reporting of each risk type.

Residual Risks

The following are residual risks managed during the year and mitigation measures:

Risk Category	Risk Description	Risk Mitigation Measures
Environmental	Natural disasters and extreme weather events can have severe negative impacts on both property and lives.	<ul style="list-style-type: none"> Investment in tools, capacity, and capabilities to manage and mitigate climate risk. Collaborating with Government and partners to implement a climate risk plan, while financing clean energy sources to mitigate the effects of climate change.
Information security	Cyber-attacks can result in monetary loss for the Bank through cash-out attacks or stolen data.	<ul style="list-style-type: none"> Effective management of Logical Access Management (LAM) and Privileged Access Management (PAM). Engagements with the technology team to track and ensure full remediation.
Compliance	Risk of bribery and corruption due to inadequate procedures or inappropriate response to potential risks.	<ul style="list-style-type: none"> Education and awareness for all employees, as well as internal controls to prevent and flag incidents of bribery and corruption.
Third-Party	Third-party risk arises from the actions or practices of external parties in our ecosystem and supply chain.	<ul style="list-style-type: none"> The Bank implemented a Third-Party Risk management framework using an automated platform called ARAVO to identify, track and manage risks introduced by third parties.
Transaction process	Transaction process risk such as failure to correctly process, manage, and execute transactions can have adverse effects.	<ul style="list-style-type: none"> Segregation of duties to ensure maker-checker capability in transactions processing. Process re-engineering and automation of the manual process and control hand-offs.

Sustainability-Related Risk Management

Our sustainability policy and strategy are driven by our commitment to creating positive social, economic, and environmental impact. We integrate sustainability into our business strategies and practices by implementing effective environmental, social, and governance (ESG) risk management. Our responsible banking practices are rooted in our values and aspirations. To manage the environmental, social, and governance risks associated with our business, we established governance frameworks and controls. We recognise effective ESG risk management as a strategic differentiator that helps us to minimise and mitigate negative impacts to society and the environment arising from our operations.

Stanbic Bank Zimbabwe put in place internal controls to mitigate the risks associated with credibility and integrity of sustainability reporting. These controls include a Code of Ethics and Conduct Awareness program that requires employees to read, comprehend, and adhere to the code upon joining the Bank. Additionally, all employees undergo mandatory online training that employs practical scenarios and case studies to enhance their understanding of the code and related policies. We consider global standards governing environmental and social risk management, including the International Finance Corporation Performance Standards and the Equator Principles.



05 SUSTAINABILITY

Sustainability Strategy
Stakeholder Engagement
Sustainability Governance
Sustainability Materiality Assessment
Materiality Link to SDGs

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Sustainability Strategy

Our Sustainability Strategy is anchored on the Bank's purpose that 'Zimbabwe is our home; we drive her growth.' Our strategy focuses on driving clients focus, employee engagement, risk and conduct, operational efficiency, financial outcomes, and social, environmental, and economic (SEE) impacts. The Bank set targets and commitments under each of the strategic pillars and identified the related Sustainable Development Goals (SDGs) that the Bank will contribute towards. Our goal is to ensure the strategy is implemented to achieve the bank's sustainable growth ambitions. In addition, the strategy will provide a basis for achieving the Sustainability Standards Certification Initiative (SSCI) being spearheaded by the Reserve Bank of Zimbabwe.



Stakeholder Engagement

Stakeholder engagement is a crucial aspect of Stanbic Bank Zimbabwe's business strategy, aiming to foster meaningful and productive relationships with individuals and groups who have a stake in the Bank's activities. Through targeted collaboration between different departments and stakeholders, Stanbic Zimbabwe Limited aims to build trust, enhance transparency, and achieve mutually beneficial outcomes for all parties involved.

Key Stakeholder Groups

Our stakeholders are categorised as follows:

Internal

Employees
Shareholders
Management

External

Suppliers
Customers
Community
Government and Regulators
Potential investors

Our Stakeholder Engagement for the year 2023 was as follows:

Employees	Government and Regulators	Shareholders & Potential Investors
How did we engage? <ul style="list-style-type: none"> Works Council forum. Emails. Chief Executive town halls. Meetings. Patron Initiative. Key topics covered <ul style="list-style-type: none"> Compensation and benefits. Work environment. Introduction of new products to market. Opportunities for career development. Mitigation measures <ul style="list-style-type: none"> A review of the Reward Strategy is currently in progress. Assessment of workload capacity. Ideation platform to invite innovative solutions. Introduction of Opportunity Marketplace and capability building on personal development plans. Frequency of engagement <ul style="list-style-type: none"> Monthly. Quarterly. Ad hoc. 	How did we engage? <ul style="list-style-type: none"> Emails. Meetings. Phone. Key topics covered <ul style="list-style-type: none"> Compliance. Regulation requirements and reporting. Payment obligations. Mitigation measures <ul style="list-style-type: none"> Implementing controls and processes within the Bank's operations to ensure timely reminders and notifications of tax payment due dates. Frequency of engagement <ul style="list-style-type: none"> Monthly. Ad hoc. 	How did we engage? <ul style="list-style-type: none"> Meetings. Key topics covered <ul style="list-style-type: none"> Risk and conduct. Bank performance. Employee engagement. Mitigation measures <ul style="list-style-type: none"> During evaluations, we ensure that any financial information is included and addressed to prevent similar issues in future meetings. Addressing the queries raised. Frequency of engagement <ul style="list-style-type: none"> Monthly.
Suppliers	Customers	Communities
How did we engage? <ul style="list-style-type: none"> Emails. Phone. Face to face. Key topics covered <ul style="list-style-type: none"> Cost-saving measures. Sustainability initiatives Mitigation measures <ul style="list-style-type: none"> Achieving a cost-saving goal of reducing our expenses by 10%. Conducting reviews of specifications for products, services, or processes to ensure that sustainability considerations are incorporated. Frequency of engagement <ul style="list-style-type: none"> Ad hoc 	How did we engage? <ul style="list-style-type: none"> Emails. Phone. Website. Face to face. Key topics covered <ul style="list-style-type: none"> Service complaints and appropriate resolutions. Mitigation measures <ul style="list-style-type: none"> Identifying recurring patterns or common issues within service complaints and conducting thorough analysis to understand the root causes. Implementing measures to address these issues effectively and prevent similar complaints from occurring in the future. Frequency of engagement <ul style="list-style-type: none"> Daily Ad hoc 	How did we engage? <ul style="list-style-type: none"> Face to face. Key topics covered <ul style="list-style-type: none"> Level of noise at the annual Jacaranda Music Festival sponsored by the Bank. Mitigation measures <ul style="list-style-type: none"> The Head of Brand and Marketing engaged the community representative and committed to change the venue. Frequency of engagement <ul style="list-style-type: none"> Ad hoc

Sustainability Materiality Assessment

The Sustainability Materiality Assessment allows us to identify material impacts for the Bank which poses risks and opportunities that guides us to direct our efforts accordingly. Our materiality process for the reporting period was conducted through a survey of management who provided insight on both the Bank and stakeholder perspectives. We followed the Global Reporting Initiative (GRI) which allowed us to ensure that our process is structured and comprehensive. The assessment enabled us to recognise the most significant environmental, social, economic, and governance risks and opportunities for the Bank.

The materiality process for FY2023 was conducted as follows:

TOPIC IDENTIFICATION	TOPIC PRIORITISATION	TOPIC SELECTION & VALIDATION
This involves stakeholder engagement, and an assessment of material topics from other companies in our industry.	The identified topics are ranked as material topics based on their significance to the business and stakeholders' interests by senior management from all departments.	Executives validate and approve the final topics by assessing the consistency of the topics with business activities. These topics are plotted as a matrix showing their importance to the business and stakeholders.

Material Topics

Our material topics were categorised into economic, environmental, social and governance topics as presented below:

- **Economic category** – topics that cover the flow of capital among different stakeholders, and the main economic impacts of the business throughout the society.
- **Social category** – topics that encompass the impacts on the communities, societies, and individuals affected by our activities and the measures we take to uphold and respect human rights.
- **Environmental category** – topics that encompass the effects of our operations on both living and non-living elements of the natural world, such as land, air, water, and ecosystems.
- **Governance** – topics that encompass the effects on the system of rules, practices, and processes that guide and govern our operations.

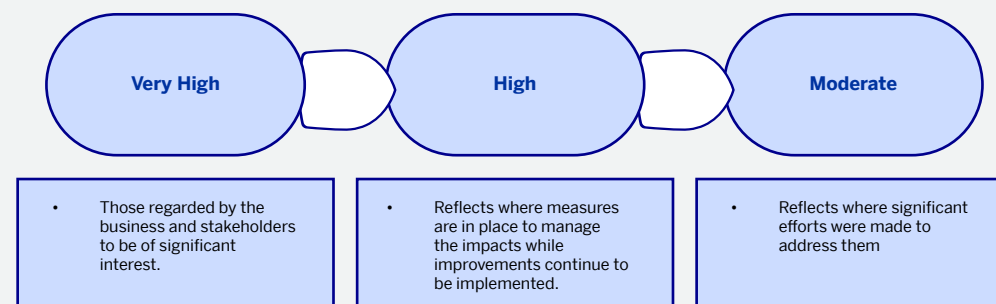
ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> • Tax • Economic Performance • Responsible Financing • Supply Chain and Responsible Sourcing Management 	<ul style="list-style-type: none"> • Water • Waste • Climate Change • Energy 	<ul style="list-style-type: none"> • Education and Training • Human Rights • Customer Welfare • Occupational Health and Safety • Employment • Employee Relations • Diversity and Inclusion • Corporate Social Responsibility • Access and Affordability 	<ul style="list-style-type: none"> • Business Ethics and Compliance • Anticorruption • Cybersecurity and Privacy Protection • Anti-Money Laundering • Innovation and Digitalisation • Legal and Regulatory Compliance

Materiality Matrix

The matrix below provides the results of survey which identified and prioritised material topics on their importance to the Bank and potential influence on stakeholder decisions.



From the matrix above, topics ranked as:

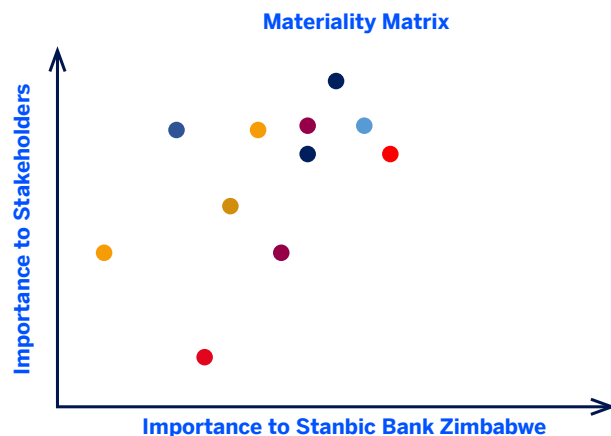


For the period under review, the following topics were identified as the most significant for both business and stakeholders:

- Customer Welfare.
- Legal and Regulatory Compliance.
- Economic Performance.
- Responsible Financing.

Materiality Linkage to SDGs

We assessed and assigned a ranking to each topic based on its level of relevance to sustainable development goal as presented below. We believe the linkages demonstrate how the material topics could be related to potential impacts and opportunities on sustainable development goals.



	Moderate	High	Very High
	Relevance to Sustainable Development		
Water		6	
Cybersecurity and Privacy Protection			9 16
Corporate Social Responsibility	1 3		
Human Rights		5 10	
Anti-Fraud		16	
Economic Performance			8
Access and Affordability		10	
Tax		16	
Customer Welfare			12
Anticorruption		16	
Innovation and Digitalisation		4 9	
Financial Crime			12
Legal and Regulatory Compliance			16
Business Conduct and Ethics		16	

The UN Sustainable Development Goals



06

SUSTAINABLE FINANCING

Positive Impacts Financing
Financial Inclusion
Customer Welfare
Innovation and Digitalisation

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Positive Impact Financing

Stanbic Bank Zimbabwe believes that it is imperative to prioritise a positive financing strategy that contribute positively while mitigating negative effects on the environment, economy, and society. The Bank financed projects aimed at reducing emissions and making them more environmentally friendly. In addition, financing renewable energy projects was prioritised for clean energy supply. Our endeavour to drive inclusive economic development was core to our sustainable trade and working capital solutions with the objective to foster social, economic, and environmental benefits.

We are fully aware that our financing practices can contribute negative impacts on the environment and local communities. As such, our risk management practices and tools are instrumental in screening projects with high prospects of negative impacts. We set specific goals and targets aligned with positive impact financing by integrating Environmental, Social, and Governance (ESG) screening and responsible lending practices. We conduct monetary

impact assessments to evaluate the financial implications of projects and manage impacts. Our lending targets are set in line with our climate policy. To track the effectiveness of our actions, we conduct internal and external audits, oversee risks through committees, and have breach escalation mechanisms.

Our engagement with stakeholders is guided by principles of constructive engagement, transparency, responsiveness, accessibility, and adherence to ethical conduct. By actively listening and addressing stakeholder needs and concerns, we foster positive relations and enhance the effectiveness of our responsible financing initiatives. We are dedicated to responsible financing and have established training programmes for our employees to learn about ESG principles and responsible financing. We are committed to fully embedding our Climate Policy in credit risk management.

For FY2023, our sustainable financing is as below:

Product Name	2023 ZWL 'million'	2022 ZWL 'million'	2021 ZWL 'million'
Health Sector Loans	8,418	-	-
Education Infrastructure Development Loans	12,628	9.6	-
Women's Desk / Dendere	3	2.9	149
Total	21,049	12.5	149



Financial Inclusion

Stanbic Bank Zimbabwe made significant strides in promoting financial inclusion by continuously evolving services, platforms, processes, and procedures. We aim to ensure universal access to, and affordability of, our products and services, particularly for historically marginalised groups. This commitment to financial inclusion has had a positive impact on improving economic performance and empowering individuals and communities. We recognise the importance of customer education on financial products and the need for safe and secure access to banking solutions. Lack of adequate customer education can pose material financial risk exposure, and we are committed to addressing this through accessible financial literacy programs. These programs aim to empower our customers with the knowledge and skills necessary to make informed financial decisions.

We are aware of the perception that banking services in the Zimbabwean market are expensive and banks face the risk of losing clients in the low-income group due to higher fees and commission tariffs. As such, we are continuously reviewing our fee structures and exploring options to make our services more affordable and accessible to all. In response, we introduced low-cost accounts in 2023 as a step towards ensuring that our services are more affordable for a wider range of individuals and demographics. To promote access and affordability, we adhere to our Client Onboarding Policy, Credit Policy, and Pricing Policy.

Our Client Onboarding Policy prioritises adherence to Know Your Customer (KYC) requirements, ensuring that we may gain a deeper understanding of our customers while making the onboarding process as accessible as possible. Moreover, we adhere to the Responsible Lending Framework to ensure that our lending practices are fair, transparent, and aligned with the financial well-being of our clients. Further, we implemented fair and equitable pricing practices in line with our Pricing Policy. This ensures that our services are priced in a manner that is reasonable and reflects the value they provide, while also considering the affordability of different customer segments.

In line with our commitment to accessibility and convenience, we implemented Digital Onboarding to cater for clients who may not have physical access to our branches. This digital platform allows clients to open accounts and access our services remotely, providing a cost-effective and time-unlimited solution compared to our physical access points. In addition, we established dedicated Service Implants across the country to specifically cater for our 48,000 Tobacco Out grower clients. These clients benefit from low-cost accounts that do not charge account maintenance fees, ensuring that their banking experience is affordable and aligned with their specific needs. We strive to create a seamless and tailored banking experience for this important segment of our customer base.

Financial literacy

The Bank's activities to enhance financial literacy and improve the financial health of beneficiaries were as follows: The Bank's activities to enhance financial literacy and improve the financial health of beneficiaries were as follows:

Activity	2023	2022	2021
Number of Financial Literacy Publications	-	-	1
Number of Training Courses or Seminars	190	28	3
Number of Activities initiated with third party	17	8	-
Total	207	36	4

Customer Welfare

As Stanbic Bank Zimbabwe, we prioritise the welfare, protection, and satisfaction of our customers. Our approach to customer welfare ensures that customers are treated fairly, their rights are respected, and their interests are safeguarded throughout their interactions with us. We adhere to a consumer welfare approach in banking, which empowers our customers to make informed choices, prevent mistreatment or misleading practices, and address concerns regarding price, services, innovation, and privacy. To uphold customer welfare, we are guided by the Consumer Protection Act regulated by the Central Bank. Our commitment is to promote consumer rights by setting minimum standards for consumer protection and providing accessible and efficient redress mechanisms. We implemented a transparent complaints procedure, displayed across our customer touchpoints, enabling customers to submit claims, voice concerns, and seek resolution.

We have a Complaint Resolution Policy designed to address customer complaints in a fair and timely manner, demonstrating our commitment to customer welfare. It provides a clear framework that outlines the steps involved in the complaints management process, from receiving and acknowledging complaints to their investigation and resolution. Additionally, we implemented internal controls that uphold professionalism and compliance with applicable regulations. Regular reviews of our products and services are conducted to align them with customer needs and preferences, incorporating valuable feedback obtained through channels such as surveys and voice of client initiatives.

Through client-centric initiatives and daily disciplines, we continuously strive to enhance the customer experience. We actively listen to customer queries, resolve them promptly, provide regular updates, and ensure accountability through meticulous record-keeping. We employed various processes, such as conducting internal audits and engaging external auditors, to monitor and evaluate the impact of our customer welfare actions. Our goals include enhancing customer satisfaction and reducing complaints by 80%, with targets like acknowledging complaints within 24 hours and resolving them within 48 hours. Key performance indicators, such as complaint resolution time and customer satisfaction ratings across touchpoints, allow us to assess our progress. The establishment of feedback mechanisms, including surveys and customer hotlines, has been effective in gathering valuable insights directly from customers, enabling us to make necessary adjustments and improvements to our strategies. We incorporated employee feedback through comprehensive training programs and a culture of open communication, ensuring that employees are equipped with the skills and knowledge to deliver exceptional customer service.



Innovation and digitisation

The Bank is committed to responsible innovation and digitalisation, considering the Environmental, Social, and Governance (ESG) impacts of our initiatives. We strive to drive positive impacts across various aspects, including environmental sustainability, employee satisfaction, and socioeconomic development through our digital transformation initiatives. One of the key positive impacts of our digital transformation initiative is the reduction of paper use, contributing to environmental sustainability and minimising our ecological footprint.

Through our Innovation Hub, we run various programs aimed at bridging the digital skills gap and empowering individuals with digital literacy and capabilities to thrive in the digital economy, contributing to socioeconomic development. Our digital product offerings, such as “Unayo” and low-entry platforms like USSD, increased access to banking services for a wider population, driving financial inclusion and socioeconomic empowerment.

We acknowledge the potential negative impacts such as job losses and the widening socioeconomic gap, which perpetuate existing disparities. To manage these impacts, we implemented measures like the Reimagination project. This initiative focuses on change management strategies and upskilling programs to redeploy employees whose roles may be automated. We collaborate with other organisations to leverage our digital capabilities to facilitate the distribution of aid funds through accessible digital channels, promoting sustainable development. The Bank prioritises initiatives that support start-ups and enhance digital skills.

Our benefits realisation processes enable us to measure and track the positive impacts of our digitalisation efforts, ensuring that we optimise their value and drive sustainable outcomes. We measure our effectiveness through various processes, such as internal and external audits, and the evaluation of key performance indicators like Employee Net Promoter Score (ENPS) and the number of digital products launched. Our engagement with stakeholders, especially through the Immersion program, informs our actions and ensures that we achieve effective outcomes.

07

EMPLOYEES

Human Capital
Employment
Employee Relations
Freedom of Association and Collective Bargaining
Occupational Health and Safety
Skills Development and Learning

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Human Capital

Human Capital Management encompasses the full scope of human resources, including recruitment, retention, and implementation of strategies to nurture skilled and motivated employees. Our primary objective is to contribute to the reduction of unemployment in our society, which, in turn, leads to an improvement in disposable income. This improvement has a downstream effect of lowering the rate of crime that often arises from poverty. However, if the various aspects of employment are not managed effectively, we may experience a decrease in employee motivation which has a ripple effect on economic development.

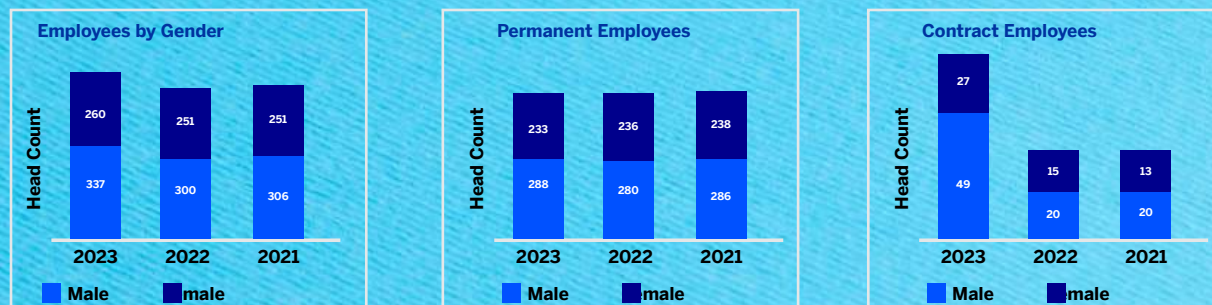
The Bank's Resourcing Policy serves as the framework that guides in effectively managing all aspects of employment. This policy encompasses a wide range of principles and guidelines aimed at ensuring a harmonious work environment. One of the key priorities outlined in the policy is the alignment of our practices with the International Labour Organisation (ILO) Standards. We recognise the importance of upholding these standards to promote fair and ethical employment practices. A crucial aspect of the policy is the promotion of structural alignment with our strategic goals and objectives. In addition to these measures, we place a strong emphasis on employee well-being as we believe that a **healthy work-life balance** is essential in fostering a positive and productive work environment. Therefore, we implemented various well-being initiatives to support employees' physical and mental health, encouraging them to maintain a healthy balance between work and personal life.

In our dedication to ensuring employee satisfaction and retention, we consistently conduct thorough evaluations of our reward model. This process involves analysing our compensation and benefits structure, considering market trends, benchmarking against industry standards, and gathering valuable feedback from employees. With the insights gained from this evaluation, we made necessary adjustments to enhance our reward packages, including revising salary structures and implementing incentives that recognise exceptional performance.



Employment

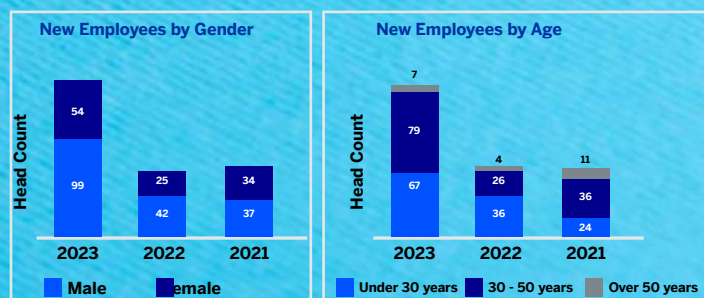
During the reporting period, our employment was as follows:



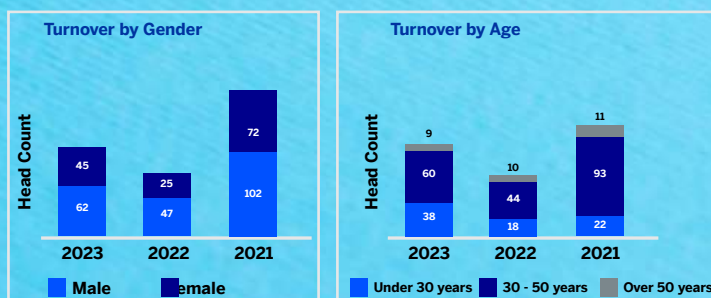
Employee Movement

During the reporting period, our employee movement was as follows:

Staff Recruitment



Staff Turnover



*** In 2021, there was a significant increase in turnover due to voluntary and involuntary retrenchment.**

For FY2023 and FY2022 staff turnover was a result of natural attrition. We made remarkable progress towards our target of maintaining critical skills turnover below 5%. The recruitment of new employees effectively counterbalanced the rate of critical skills turnover, while internal promotions and appointments have been utilised to maintain our headcount within the approved ceiling.

Employee Relations

As Stanbic Bank Zimbabwe, we are committed to upholding fair employee practices and maintaining a consistent approach toward the treatment of employees. This includes ensuring transparency and fairness in our negotiation processes and the application of collective bargaining outcomes. We aim to promote a harmonious and productive work environment by offering clear guidelines and channels for addressing employee-related issues. It is important to acknowledge that instances of bias or the partial resolution of employee grievances can potentially lead to conflicts within the workplace. We recognise the need to address these concerns promptly and effectively to prevent any negative impact on employee morale and overall workplace dynamics.

To foster positive relations, we implement standard disciplinary, appeal, and grievance procedures. These procedures are designed to provide a framework for resolving any concerns or grievances that may arise within the workplace. We implemented the Employee Relations Policy as a comprehensive guide to foster healthy relationships within the Bank. This policy serves as a framework that outlines the expectations and responsibilities of both employees and management, emphasising the importance of open communication, respect, and fairness. As part of our continuous efforts to enhance employee engagement and foster open communication, we are actively working towards increasing engagement forums that promote dialogue between leadership and employees. These forums provide valuable opportunities for employees to voice their ideas, concerns, and feedback, while also allowing leadership to address these matters and provide guidance.

During the period under review, we achieved significant milestones in our employee performance indicators. Our employee Net Promoter Score (NPS) exceeded 50, indicating a favourable perception of the Bank among employees.

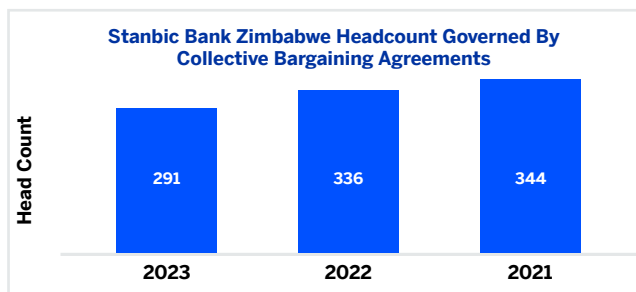
We achieved a commendable absenteeism rate of less than 1%, demonstrating our commitment to creating a healthy and supportive work environment that encourages attendance and well-being. Further, our employee dispute resolution rate reached 100%, highlighting our dedication to effectively addressing and resolving any conflicts or concerns that may arise. As we continue to focus on enhancing employee satisfaction and overall success, we remain committed to sustaining these positive trends and improving our performance indicators.



Freedom of Association And Collective Bargaining

Stanbic Bank Zimbabwe Limited is committed to upholding Human Rights and promoting good labour practices. We believe in the freedom of employees to join associations of their choice, as it fosters a sense of autonomy and collective representation.

In alignment with these principles, the Bank participated in the Collective Bargaining Agreement (CBA) engagement for the fiscal year 2023 for the relevant headcount as illustrated below:

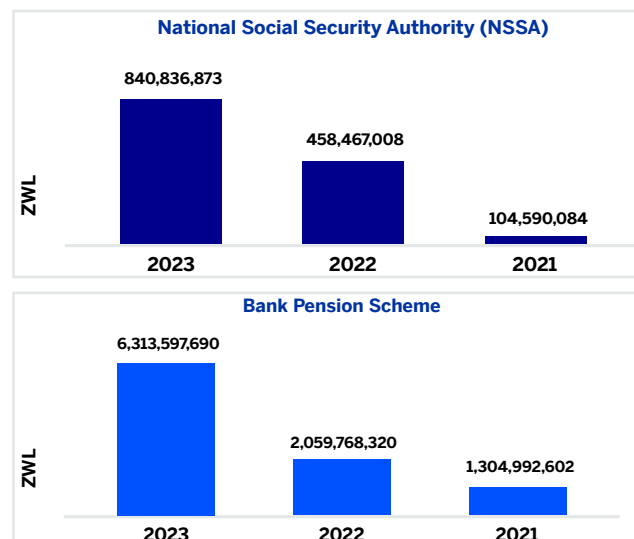


The Collective Bargaining Agreement for the respective sector is applied in terms of any services rendered through a Labour Broker that are not standard to the Banking and Finance sector.

Employee Welfare

As Stanbic Bank Zimbabwe, we place paramount importance on the welfare of our employees. We provide a supportive and nurturing work environment by providing pension schemes and retirement packages to ensure our employees have a secure future.

Defined contribution pension obligations plan and other retirement plans for FY2023 were as follows:

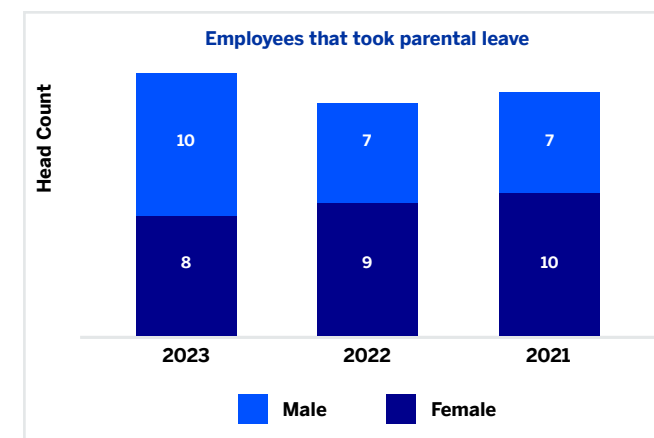


The rise in pension contributions was due to the increase in basic salaries. These salary adjustments were effected to mitigate the impact of inflationary effects on employees.

Parental Leave

Stanbic Bank in accordance with the Labour Act [Chapter 28:01] offers parental leave to all employees.

Below are the statistics of employees who took parental leave:



Occupational Health and Safety (OHS)

We prioritise effective risk and hazard management practices to enhance employee engagement and productivity. By identifying and managing risks, we prevent accidents and injuries, reducing absenteeism and increasing incident-free days. We prioritise employee well-being and safety, mitigating negative impacts such as exposure to hazards and psychological stress. Despite challenges like sanitation delays and reporting setbacks, prompt action is essential to maintain a productive work environment and support efficient operations.



Our Occupational Health & Safety Policy underscores our commitment to accident prevention, improved productivity, employee morale, brand reputation preservation, corporate sustainability, and long-term financial health. Internal audits, external audits, and inspections are conducted by the National Social Security Authority (NSSA) to evaluate the implementation and effectiveness of the measures taken to manage our occupational health and safety performance. We set a target to develop a safety metrics dashboard by 31 December 2024 for tracking progress. This dashboard will allow us to monitor key performance indicators such as the number of recorded safety incidents, the frequency of safety audits and inspections, and our compliance with health and safety regulations.

To measure our progress, we use key performance indicators (KPIs) such as the number of incidents reported in a timely manner, reporting of near misses, employee training on OHS matters. These KPIs provide valuable insights into the effectiveness of our actions. We implemented a tracker to monitor the closing of action times and a monthly checklist to identify hazards, which are then addressed by our dedicated incident officers. We are proud to report that we achieved an 80% closure rate for resolution of OHS related queries.. We recognise the need for an enhanced contractor management process for contractors working in our buildings and are committed to improving in this area. Our stakeholders, both internal and external, including incident officers and the OHS Committee, play a vital role in informing our actions and ensuring the effectiveness of our OHS management. We remain dedicated to continuously improving our OHS practices and maintaining a safe and healthy work environment for all.

Occupational Health and Management System

The occupational health and safety management system is designed to effectively manage and enhance the Bank's health and safety performance. It aims to identify and control occupational health and safety risks, prevent work-related injuries and illnesses, and promote a healthy and safe work environment. The scope of the system encompasses all employees, contractors, customers, and other interested parties who may be affected by the Bank's products, services, and activities. The workplace covered by our system includes office spaces, customer service areas, conference rooms, communal areas, restrooms, refreshment areas, parking space, and shared or leased premises.

Hazard identification, Risk Assessment(HIRA), and incident investigation

The implementation of our occupational health and safety management system includes several key processes and procedures. High-risk tasks are recorded in a department-specific High Risks Task Register, which is consolidated and managed by the OHS Manager's office. This register facilitates the development of management programs for the high-risk tasks. Each department identifies its top ten OHS risks, which are communicated to all affected employees and displayed on notice boards as part of overall risk training. During the Hazard Identification and Risk Assessment (HIRA) process, potential emergency situations are identified and managed according to the emergency planning and response procedures. Employees or responsible individuals are encouraged to identify, report, and document potential health and safety issues in the workplace.

Incident investigations are conducted after accidents occur to identify present hazards, determine root and basic causes, and implement preventive and corrective action. This process allows for the refinement and improvement of the OHS system. The processes and procedures outlined in the Occupational Health & Safety Policy, along with compliance with relevant regulations such as SI 2022-162 National Social Security Authority Accident Prevention and Workers' Compensation Scheme which contributes to effective management of health and safety within the Bank.

Occupational Health Services

Mitigation measures are in place to ensure the health and safety of employees and

contractors at Stanbic. Discussions on health and safety topics occur at various meetings, including departmental, committee, and executive committee levels. The OHS Policy and policy statement serve as guidelines, outlining expectations and providing a framework for managing health and safety. Communication channels are established to report workplace incidents and near misses, and general OHS communication alerts employees to potential hazards. Meetings are held regularly to review and address health and safety issues.

Promotion of Employee Health

Permanent employees are covered by a medical aid facility, and the Bank assumes responsibility for costs associated with work injuries of fixed-term contract employees. Employee well-being services support mental, physical, and overall health. We have intervention measures to manage fatigue and stress management that also covers contract employees.

OHS Incidences

Below are our OHS incidences:

Work Related Injuries	Unit	2023	2022	2021
High consequence work-related injury (Medically Treated Injury)	Count	1	1	0
High consequence works related injury rate	Rate	10	10	0
Lost Days due to injury	Count	112	0	0
Lost Time Injury Frequency Rate (LTIFR)	Rate	89	0	0
Hours Worked	Hours	1,254,176	96,976	98,032

Skills Development and Life Learning

Our skilled and capable employees are evidence of the priority we place on training and education. We seek to enhance productivity, foster innovation, and cultivate effective leadership. The Bank's initiatives aim to equip our employees with the necessary skills and knowledge to enhance productivity, efficiency, and the overall quality of our products and services. Training and education programs encourage creativity, critical thinking, and problem-solving skills among employees. This fosters an innovation culture leading to the development of innovative ideas, processes, and technologies. Our approach includes leadership development programmes that help in developing strong leaders contributing to strategic decision-making and employee engagement. Lack of training and development opportunities may lead to difficulties in maintaining a competitive edge and retaining talented employees and the Bank strives to effectively address these risks.

We aim to promote a culture of continuous learning and development, guided by our Learning and Development Policy. We collaborate with external partners to assess the skills required for our business and deliver learning solutions that address those needs. We ensure that our learning content is regularly updated to align with current trends and industry best practices. This helps us provide relevant and up-to-date training to our employees, enabling them to stay competitive and adapt to changing market conditions. Our transition assistance programs include pre-retirement counselling, financial management webinars, and outplacement

services, enabling employees to manage career endings and enhance their employability. We continuously assess the critical skills required for our business and this allows us to tailor our training programs to meet our specific needs and ensure that employees are equipped with the necessary capabilities. Additionally, we emphasise the delivery of relevant learning and the application of acquired knowledge to drive performance.

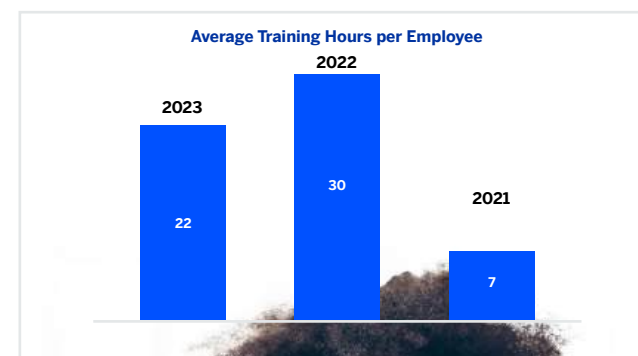
Type and scope of programs implemented, and assistance provided to upgrade employee skills:

- Technical Financial acumen courses
- Leadership effectiveness courses
- Future skills courses such as Robotic Desktop Automation
- Executive coaching

Internal audits are conducted to assess the compliance and effectiveness of our training programs. The Group Learning Review process is utilised to update our learning frameworks and ensure their alignment with current industry standards. Our goals include achieving a positive return-on-investment. Changes in behaviour, the number of improved processes, growth in acquired business, reduction in reworks, and improved client service scores are used in assessing progress. We updated the evaluation process to include feedback from line leaders on the application of training or education and to measure the effectiveness of training in line with our digital learning mandate. Stakeholder feedback, particularly in relation

to performance management and productivity metrics, helps us gauge the relevance and impact of our training programs.

Average training hours per employee were as follows:





08

SUSTAINABILITY IN OUR OPERATIONS

Energy
Water
Waste
Sustainable Procurement

47
49
50
51



Energy

Energy management is a critical component of our operations to make informed decisions and mitigate potential risks. Reducing energy consumption lowers our overall operational costs thus freeing up financial resources that can be directed towards other business priorities. It also enables us to operate in a sustainable manner, minimising our impact on the environment. We anticipate lowering our energy consumption will contribute to reduced greenhouse gas emissions and environmental impact thereby supporting sustainability goals and helping to create a cleaner and healthier environment. Exceeding energy efficiency regulations and standards will provide potential incentives or rebates. Demonstrating a commitment to energy conservation and environmental responsibility will further improve our reputation and appeal to environmentally conscious stakeholders.



Failing to implement effective energy monitoring and management processes can result in a lack of visibility into energy usage patterns. This can lead to missed opportunities for optimisation and an inability to identify and address energy inefficiencies. Choosing inefficient equipment, appliances, and technologies, as well as operating them in ways that do not prioritise energy conservation, can contribute to increased energy consumption and costs. Engaging more in the procurement process and prioritising energy efficiency ratings can help mitigate this impact. Neglecting employee education, engagement, and participation in energy-saving practices can result in wasteful behaviours and missed opportunities for energy conservation. It is essential to prioritise employee awareness and involve them in energy-saving initiatives.

The Bank's policies and commitments demonstrate a strong dedication to environmental and resource management, with a focus on energy conservation. We prioritise regulatory compliance by staying informed about energy-related regulations and standards. Continuous improvement is a key aspect of energy management. Regular reviews and assessments of energy management strategies are conducted,

seeking opportunities for optimisation and further improvement through identifying areas where energy consumption can be reduced. We implemented energy-efficient technologies and practices, such as light emitting diode (LED) lighting and optimised Heating Ventilation, and Air conditioning (HVAC) systems, to reduce overall energy consumption.

By integrating renewable energy sources, such as solar systems, we further diversified our energy sources and reduce reliance on non-renewable energy. Stanbic Bank Zimbabwe invested in energy management systems, including smart building technology and energy monitoring systems. These systems enable real-time monitoring and control of energy usage, allowing for proactive management and optimisation. Regular maintenance of equipment and systems is conducted to ensure efficient operation and minimising energy waste.

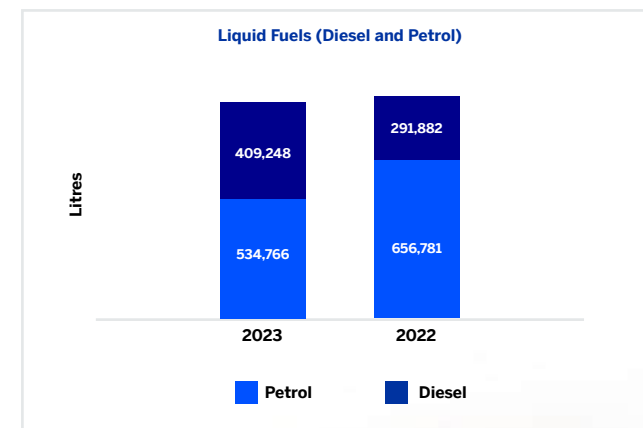
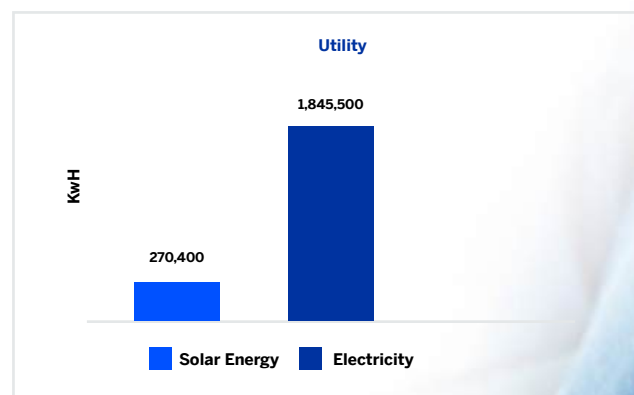
Employee engagement is another crucial aspect of our Bank's approach. We educate and involve building occupants in energy conservation efforts, promoting energy-saving practices and raising awareness of potential negative impacts. We continuously monitor and analyse energy usage data to identify trends and further improve our energy management strategies.

Employing energy consumption monitoring, conducting regular audits, setting KPIs, analysing data, and engaging with stakeholders, have enabled evaluation of our energy management efforts. Stanbic set targets of reducing energy-related costs by 20% and investing in solar energy for 60% of its branches. We made progress towards these

goals by investing in solar systems, submitting applications for net metering, and implementing energy monitoring systems. Further, we achieved an overall energy cost saving of 16% using renewable energy sources. An assessment was conducted to determine our energy requirements at all our points of representation to increase our solar generating capacity enabling them to operate off-grid.

Work is in progress to install meters which will enable us to get credit for excess power that we would have generated and fed back to the grid. These meters will also serve as monitoring systems at all our points of representation to enable us to track usage, identify trends, and implement solutions to improve energy usage efficiency. We have service level agreements (SLAs) for regular servicing of equipment to ensure efficiency, and we are developing and deploying building automation technologies to aid in the energy management process and implemented a prototype solution for our Minerva branch.

During FY2023, our energy usage was as follows:



Water

Water management is crucial for responsible environmental practices, positively impacting public health by ensuring access to clean drinking water and reducing the risk of waterborne diseases. Additionally, efficient water management leads to economic benefits through cost savings for businesses. It contributes to environmental protection by safeguarding ecosystems and supports sustainable development by fostering economic and social progress. Moreover, effective water management enhances resilience to climate change by providing reliable water supplies and reducing vulnerability to extreme weather events like droughts and floods. However, there are negative impacts that can arise from inadequate water management. These include water wastage due to insufficient monitoring of water usage within facilities, which strains local water resources and increases water bills.

Our objective is to achieve and maintain the highest level of resource management throughout our operations. Internally, we implement water-efficient practices within our facilities, including the use of water-efficient technologies, and low-flow fixtures. Additionally, we finance water conservation projects and educate our customers and employees on water conservation and sustainable practices. Stanbic Bank Zimbabwe is committed to reducing water consumption and improving water efficiency across all operations. We aim to achieve this by implementing water-saving technologies and practices, such as upgrading fixtures and appliances, and optimising water use in our facilities.. Monitoring and reporting our water usage, analysing data, and engaging stakeholders will be integral parts of our approach.

Waste

Waste management practices play a significant role in creating a safe working environment and a good corporate culture on environmental conservation. It helps minimise the environmental impact by reducing the amount of waste sent to landfills. By implementing recycling and waste reduction practices we reduce waste disposal costs and potentially generate revenue from recycling or reusing materials. Further, taking an initiative-taking approach to waste management enhances our reputation and appeals to environmentally conscious customers leading to increased customer satisfaction and loyalty, attracting a larger customer base. Effective waste management practices foster a culture of sustainability within the Bank, encouraging employee engagement and creating a positive work environment. However, challenges such as limited recycling facilities, inadequate infrastructure, and upfront investment costs need to be addressed to ensure successful waste management implementation.

To address challenges and maximise the positive impacts of waste management we collaborate with waste management service providers, companies, and government agencies to access resources, expertise, and support. We also invest in proper waste management infrastructure, such as recycling bins and waste collection systems, and ensure their maintenance and optimisation.

Stanbic Bank Zimbabwe conducts regular monitoring and reporting of waste management metrics to identify areas for improvement, and we measure the effectiveness of our waste management initiatives. By staying informed about relevant regulations, standards, and incentive programs, we uphold compliance and capitalise on cost-saving opportunities.

Sustainable Procurement

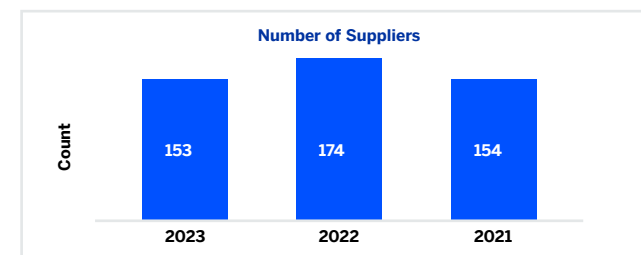
We prioritise ethical and responsible practices throughout our supply chain. To uphold these standards, we developed a comprehensive code of conduct that outlines our expectations from suppliers and partners. Clear communication of these expectations is important, ensuring that all parties involved understand and adhere to the ethical guidelines we set forth.

In our supplier selection process, we implement a rigorous evaluation that takes into consideration ethical criteria, including labour standards, environmental practices, and social responsibility. This criteria-based approach enables us to choose suppliers who align with our values and demonstrate a commitment to responsible business practices. To ensure ongoing compliance, we regularly assess and evaluate our suppliers based on this ethical criterion. This involves conducting on-site audits or inspections to verify that suppliers are adhering to the expected standards.

Transparency is a key principle that we promote throughout our supply chain. We actively encourage our suppliers to adopt sustainable and responsible practices. We believe that by working together and sharing best practices, we can create a positive and lasting impact. Our procurement decisions and supplier management are guided by the Bank's Procurement Policy and Third-Party Risk Management Policy. These policies provide a framework for ensuring ethical standards, reducing risks, and promoting responsible business practices.

We utilise Country Procurement Committee surveys to gather valuable insights and data on our procurement practices, which helps us measure our progress and identify areas for improvement. Our target is to actively promote the participation of local vendors in our procurement processes. As part of our commitment, we are actively working towards channelling 60% of the total amount spent on procurement into the local market. By sourcing goods and services from local suppliers, we contribute to the growth and development of the local economy. Further, we recognise the importance of supporting women-led businesses. To empower and uplift women entrepreneurs, we set a specific target to ensure that 25% of the amount spent on procurement was directed towards women-led businesses.

Our suppliers and procurement spending are below:



Spending	2023 ZWL '000'	2022 ZWL '000'	2021 ZWL '000'
Local Suppliers	2 292	1 095	502
Foreign Suppliers	389	462	229
Total	2 681	1 557	732





09

CLIMATE CHANGE

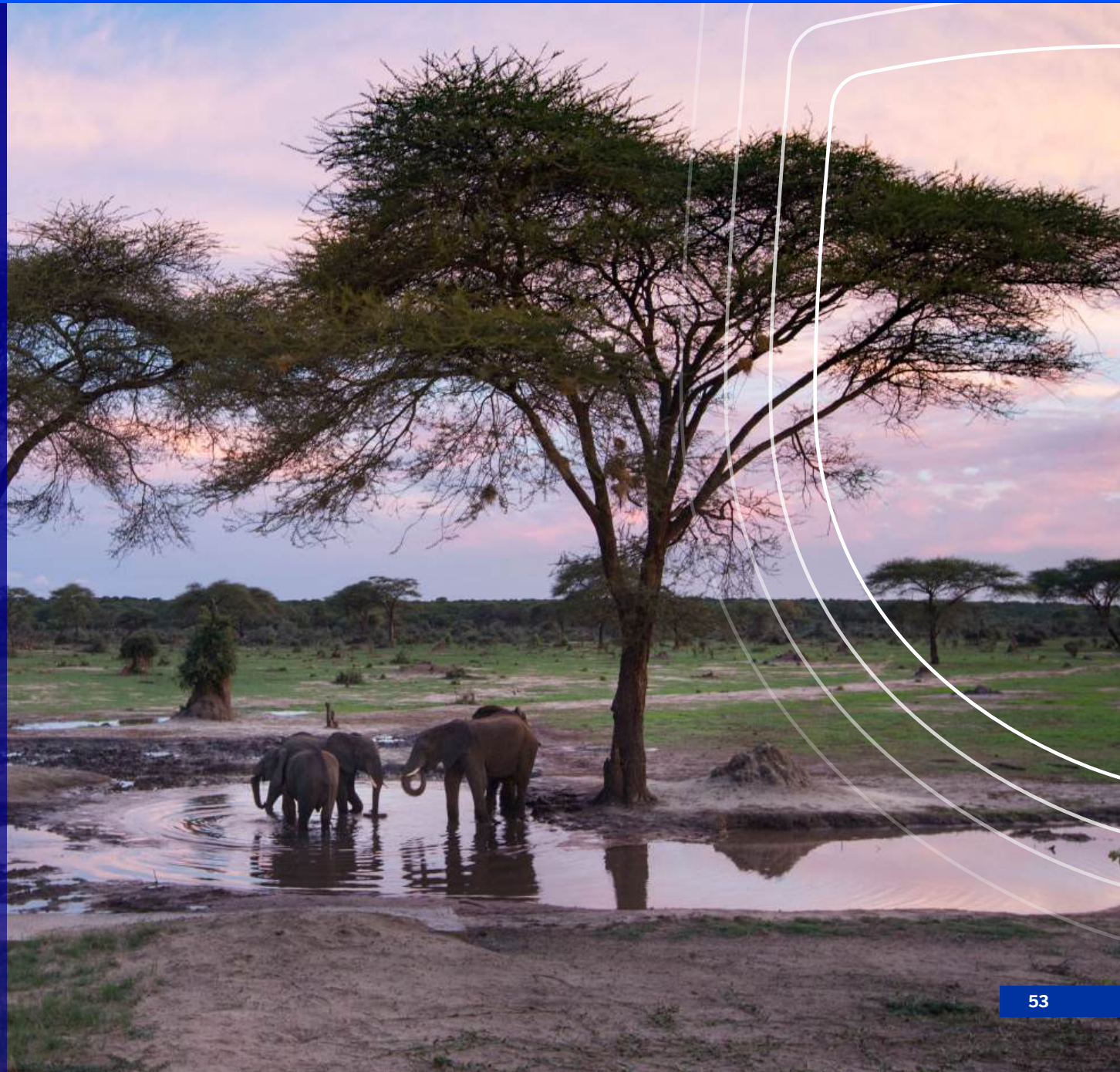


Climate Action
Climate Risk and Opportunities
GHG Emissions

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54
55

Climate Action

The Bank recognises the urgent need to address climate change and its potential impacts. We developed an approach to tackle negative impacts of climate change on the Bank and clients. Rigorous screening processes prohibit lending and support to clients involved in activities that harm fragile ecosystems and the environment. We provide sustainable financing solutions which promote investments in energy infrastructure, clean energy technology, and green buildings that reduce our carbon emissions. We prioritise climate awareness and resilience within our customer base. Encouraging companies to adopt sustainable practices across their operations contributed to wider adoption of environmentally friendly practices. However, there is a possibility of unforeseen customer-related risks, where activities funded by the Bank may result in harm to the environment. One of the key challenges we face is estimating the impact of physical and transition risk drivers on the financial performance of our clients. This requires sourcing data on our customers' operations and locations, including estimates of future climate change impacts under different scenarios.



Climate-Related Risks and Opportunities

We have an enterprise risk management framework which forms the basis for managing climate-related risks. Our existing policies and standards for risk identification, assessment, management, and mitigation are applied to climate-related risks. We enhanced our environmental and social risk screening tools to identify specific climate-related risk drivers for each transaction. Stanbic Bank Zimbabwe developed a comprehensive Climate Risk Policy which outlines our commitment to identifying and managing climate-related risks across our operations. We undertake extensive work to identify clients and sectors exposed to elevated levels of climate-related risks and opportunities, allowing us to assess the potential implications for our strategy, risk appetite, and financial planning. Our approach to setting risk appetite is based on an understanding of exposure to climate-related risks through utilising data on climate vulnerabilities such as physical climate science data and greenhouse gas emissions data.

The effectiveness of the actions taken by the Bank to manage climate change and its impacts are assessed through various processes and indicators. These processes include governance, integration, operating model design, data architecture and management, scenario analysis and stress testing, as well as metrics and disclosures. We estimate physical risk vulnerability scores in calculating “value at risk” metrics for financed assets under different warming scenarios and approximating levels of transition risk based on reported or estimated emissions to assess the effectiveness of our climate risk management. In terms of progress, our Bank made significant developments in climate risk management which included capacity building, resourcing, skills development, and training. We made progress in climate scenario analysis, stress testing preparation, climate data analysis, and testing of climate tools.

Below are climate related risks and opportunities identified during the reporting period:

Risk/Opportunity	Description	Financial implications	Opportunities	Costs
Natural Disasters and Extreme Weather Events	Extreme effects of climate change e.g. floods.	Impairments for key clients in impacted sectors e.g. Mining and Agriculture.	Promote investment in energy infrastructure and clean energy technology.	Cost of funds deployed as loans and advances to clients investing in clean energy infrastructure.
Managing Environmental Degradation	Promote resource efficiency and aim to detach economic growth from environmental harm.	Possible fines and regulatory sanctions.	Assess client's energy efficiency and educate them on how it can drive cost reductions, operational efficiencies, and de-risking the business.	Cost of raising awareness and screening for clients.
Managing pollution	Negative effects of pollution to the environment.	Possible fines and regulatory sanctions.	Partnering to educate clients and fund activities aligned with pollution reduction objectives.	Cost of funds to support pollution reduction objectives.
Sustainable Procurement	Promote procurement practices that are sustainable.	Fines and regulatory sanctions.	Assess suppliers for sustainable business practices. Screen management protocols of customers regarding their suppliers during lending.	Potential costs from procurement failures.
Sustainability Strategy	Integrate climate change measures into policies, strategies, and planning.	Fines and regulatory sanctions.	Implement a climate risk strategy, including risk rating of clients, alignment of governance, and setting metrics and targets to track strategy implementations.	Cost associated with a change in strategy.

GHG Emissions

We are committed to tackling greenhouse gas (GHG) emissions head-on. Through innovative solutions and sustainable practices, we strive to reduce our environmental impact and create a greener future. We calculated our carbon footprint using internationally accepted conversion factors to convert energy consumption into carbon dioxide (CO₂e) equivalency.

Our Scope 1: direct emissions resulting from our consumption of liquid biofuels (diesel and petrol) was calculated by applying United Kingdom (UK) Government's Department of Environment, Food and Rural Affairs (DEFRA) conversion factors. Scope 2: Indirect Emissions from consuming electricity generated by third parties was calculated using the Southern African Power Pool 2015 factors and the global warming potential rates from the Intergovernmental Panel on Climate Change (IPCC).

Below are our GHG Emissions:



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CORPORATE SOCIAL INVESTMENTS

Our Impact in Society

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Our Impacts in Society




Our Corporate Social Investment (CSI) efforts are closely aligned with Standard Bank Group Limited (SBGL)'s Social, Environmental, and Economic Impact (SEE) value drivers. Through our CSI, we aim to create value for stakeholders by delivering initiatives that contribute to enhancing the Bank's brand and reputation. We recognise the importance of creating sustainable positive impacts in our communities, as such, our CSI initiatives are designed to address all societal challenges, aiming to bring about long-term positive change.

In line with our commitment to co-creation and collaboration, we aim to establish long-term partnerships that are relevant and impactful. Through investments in education, healthcare, environmental conservation, and other areas of need, we contribute to the overall well-being and development of the communities we serve. One area where we focus our efforts is in supporting the growth and sustainable development of public health services in Zimbabwe. We contribute to improving access to quality healthcare

through equipment donations and refurbishments of medical units. Our initiatives have a positive impact on the lives of those who are less privileged and unable to afford medical care. Our goal is to improve access to essential medical services and contribute to the overall well-being of communities.

To ensure transparency and accountability in our CSI initiatives, our procurement department plays a crucial role. They are responsible for carefully vetting payment requests and conducting vendor assessments before any payments are made. This process ensures that our funds are allocated appropriately and efficiently. To oversee and guide our CSI activities, we established the People and Culture Board Committee which is responsible for monitoring and evaluating our CSI initiatives, ensuring that they align with our strategic goals and desired impact.

Our CSI activities for FY2023 are below:

TARGET AREA		PURPOSE OF INVESTING IN THE TARGET AREA	BENEFICIARIES	ITEMS DONATED	AMOUNT
Education		To promote inclusive, quality education. To harness the 4th Industrial Revolution.	Africa University. Nduna Trust.	Bursaries	US\$ 34,000 ZWL131,180,490
Environmental Conservation		To develop appropriate solutions for mitigating and adapting to the effects of climate change.	Friends of the Environment.	Donation of funds.	US\$ 10,000
Health		Partnering to deliver healthcare solutions that work across communities including children living with albinism.	Marondera District Hospital. CURE Children's Hospital Albino Charity Organisation of Zimbabwe Cancer Association of Zimbabwe.	Haemodialysis machines. Money Sunscreen lotions, sunhats, lip balms and soaps. Drugs for Chemotherapy	US\$ 50,000 US\$ 22,500 ZWL 38,000,000 US \$21,000 US\$ 25,000
Total					US\$ 162,500 ZWL 169,180,490





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ECONOMIC CONTRIBUTIONS

Economic Value Creation and Distribution
Tax Affairs and Payments to Government

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Economic Value Creation and Distribution

We understand the importance of economic performance and its impact on stakeholders and our overall business sustainability. We are committed to driving sustainable value and maintaining a strong financial position. Our responsible pricing practices ensure that our banking products and services are priced in a way that balances profitability with customer affordability, creating long-term value for our stakeholders. To protect our financial position, we implement cost containment measures to mitigate hyperinflation losses and ensure efficient cost management. This approach helps us navigate the challenges presented by the economic environment and maintain a resilient business model. We prioritise timely conversion of cash flows into non-monetary assets due to economic uncertainties, which helps us hedge shareholder funds against value erosion and preserve our financial stability.



Responsible sourcing practices are integral to the Bank's financial performance. By reducing procurement spending and promoting environmental sustainability, we not only contribute to cost savings but also align our operations with responsible business practices. We foster economic growth and maintain the viability of our supply chain partners by contributing to revenue generation for the country and ensuring timely payments to our suppliers. To enhance our competitiveness, we regularly review our product pricing strategies.

We are proactive in addressing negative impacts on our economic performance. High operational losses resulting from unexpected system challenges are mitigated through risk management practices and continuous improvement efforts. To effectively manage economic performance impacts, we established monitoring and tracking mechanisms which include:

- Internal and external audits.
- Approval processes for new vendors and price variances.
- Monthly reports on operating expenses and supplier reviews.

Through these monitoring activities, we made considerable progress in achieving our goals and targets. We achieved a purchase order compliance ratio of 98.34%, indicating that most procurement activities are conducted in line with established processes. We also achieved cost savings of 6% against a target of 10%, although efforts are ongoing to further optimise costs. The Bank incorporated lessons learned from stakeholder engagements and monitoring activities into our operational policies and procedures.

The direct economic value generated and distributed is contained in our Financial Statements published separately.

Tax Affairs and payments to Government

Stanbic Bank Zimbabwe is committed to proper tax management and complying with tax regulations. We understand that our tax activities can contribute both positive and negative impacts, and we manage them effectively. We collaborate with the Government in tax collection and contribute to the consolidated revenue fund, supporting the Government's revenue generation efforts and the National Development Strategy. However, we recognise that there can be negative impacts associated with tax management, such as non-collection of taxes due, incorrect collection of taxes, and delays in implementing system changes that impact tax processes. As Stanbic Bank Zimbabwe, we uphold our responsibility to prevent tax evasion and maintain the integrity of the tax system.

Approach to Tax

We have a Tax Strategy which guides our tax management practices, prioritising compliance and tax risk management. To keep up with tax changes, we frequently share updates with our teams and collaborate with other units to implement necessary system changes. We actively communicate with our clients about any tax changes that may impact their operations and maintain close communication with tax authorities to seek clarification on tax provisions. We established processes to measure the effectiveness of our actions, including the review of unresolved tax queries and regular internal audits. These processes help us identify areas for improvement and take appropriate corrective measures.

Our objectives revolve around achieving and maintaining compliance, as well as resolving tax queries within specified targets. We monitor our progress toward these goals through key performance indicators that measure our compliance levels and the timely resolution of queries. Our efforts have proven effective in managing taxes and we made considerable progress, with a 60% accomplishment in our automation initiatives designed to address query resolution targets.

Stakeholder Engagement on Tax Matters

Stanbic Bank Zimbabwe actively engages with tax authorities and participates in the Bankers Association of Zimbabwe (BAZ) tax policy advocacy. We collect concerns and feedback from internal and external stakeholders through various governance forums, webinars, and client engagements. This enables us to address concerns promptly and ensure our tax management practices align with stakeholder expectations. We remain adaptable and optimise our practices, accordingly, ensuring that we continue to uphold our commitments to tax compliance and risk management.

For FY2023, our tax payments were as follows:

Purpose	2023 ZWL 'million'	2022 ZWL 'million'	2021 ZWL 'million'
Corporate Tax - Associates	178 350	82 757	44 606
Value Added Tax (VAT)	26 819	14 757	10 101
PAYE	51 351	20 535	13 936
Withholding Tax-10%	2 764	1 357	1 090
Withholding Tax-1/3	25 369	9 207	4 087
Aids Levy	1 540	614	419
IMTT	357 538	341 178	165 997
Total	643 731	470 406	240 235

The Bank's tax payments increased due to enhanced performance resulting from significant growth in taxable income. Further, strategic shift in asset and revenue mix, along with client acquisition and expanded representation points.

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ANNEXURES

GRI Content Index
Corporate Information

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Statement of use	Stanbic Bank Zimbabwe Limited has reported the information cited in this GRI content index for the period 01 January 2023 and 31 December 2023 with reference to the GRI Standards.
GRI used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			Part Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organisational details	Front Cover			
	2-2 Entities included in the organisation's sustainability reporting	-			
	2-3 Reporting period, frequency and contact point	3			
	2-4 Restatements of information	3			
	2-5 External assurance	3			
	2-6 Activities, value chain and other business relationships	7,10			
	2-7 Employees	10,40			
	2-8 Workers who are not employees	-			
	2-9 Governance structure and composition	15			
	2-10 Nomination and selection of the highest governance body	15			
	2-11 Chair of the highest governance body	16			
	2-12 Role of the highest governance body in overseeing the management of impacts	15			
	2-13 Delegation of responsibility for managing impacts	15			
	2-14 Role of the highest governance body in sustainability reporting	3,15			
	2-15 Conflicts of interest	-	See financial statements		
	2-16 Communication of critical concerns	3			

	2-17 Collective knowledge of the highest governance body	16-17			
	2-18 Evaluation of the performance of the highest governance body	15			
	2-19 Remuneration policies	-	See financial statements		
	2-20 Process to determine remuneration	-	See financial statements		
	2-21 Annual total compensation ratio	-	See financial statements		
	2-22 Statement on sustainable development strategy	11-13,29			
	2-23 Policy commitments	-	To be included in next report		
	2-24 Embedding policy commitments	-	See financial statements		
	2-25 Processes to remediate negative impacts	26-27,54			
	2-26 Mechanisms for seeking advice and raising concerns	29-30			
	2-27 Compliance with laws and regulations	25			
	2-28 Membership associations	6			
	2-29 Approach to stakeholder engagement	29			
	2-30 Collective bargaining agreements	42			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	30-32			
	3-2 List of material topics	30-31			
	3-3 Management of material topics	30-32	See management approach for each topic		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	61	Also see financial statements		
	201-2 Financial implications and other risks and opportunities due to climate change	54			
	201-3 Defined benefit plan obligations and other retirement plans	42			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	-			
	203-2 Significant indirect economic impacts	57			

GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	51			
GRI 207: Tax 2019	207-1 Approach to tax	62			
	207-2 Tax governance, control, and risk management	62			
	207-3 Stakeholder engagement and management of concerns related to tax	62			
	207-4 Country-by-country reporting	62			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	48			
	302-2 Energy consumption outside of the organisation	-	To be included in the next report		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	49			
	303-2 Management of water discharge-related impacts	49			
	303-5 Water consumption	-	To be included in the next report		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	55			
	305-2 Energy indirect (Scope 2) GHG emissions	55			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	50			
	306-2 Management of significant waste-related impacts	50			
	306-3 Waste generated	-	To be included in the next report		
	306-4 Waste diverted from disposal	-	To be included in the next report		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	40			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	44			
	401-3 Parental leave	42			

GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-	One month		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	43			
	403-2 Hazard identification, risk assessment, and incident investigation	44			
	403-3 Occupational health services	44			
	403-4 Worker participation, consultation, and communication on occupational health and safety	43-44			
	403-5 Worker training on occupational health and safety	44			
	403-6 Promotion of worker health	44			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	43			
	403-8 Workers covered by an occupational health and safety management system	44			
	403-9 Work-related injuries	44			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	45			
	404-2 Programs for upgrading employee skills and transition assistance programs	45			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	15,40			
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 applicable but consideration in the next report.		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	57			

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