

Group Stakeholder Engagement Guidelines



GROUP STAKEHOLDER ENGAGEMENT GUIDELINES

1. INTRODUCTION

Stanbic Group Kenya (the Group) recognises that effective stakeholder engagement is essential to achieving our purpose “Kenya is our home, we drive her growth”. It is also at the heart of our Values and Code of Ethics. Stakeholder engagement maintains and strengthens our legitimacy and social licence to operate, builds trust with stakeholders and enhances our reputation as a socially-relevant and responsible corporate citizen wherever we operate.

Our stakeholders are those individuals, groups, and organisations that materially affect or that could be materially affected by our business activities, products and services and associated performance. Our stakeholders provide us with the resources we need to achieve our strategy and purpose; influence the environment in which we operate our business; and confer legitimacy on our activities. They are the providers of financial, human, intellectual, natural, manufactured, and social capitals. Our business activities directly and indirectly impact our stakeholders’ own wellbeing and success. We have a responsibility to minimise any harmful impacts, and optimise the positive impacts, on our stakeholders.

Stakeholder engagement is defined as the process used by an organisation to engage relevant individuals and groups to build relationships, understand different perspectives, and collaborate to achieve joint outcomes. Stakeholder engagement is also an ongoing process of developing and managing relationships with stakeholders to mitigate the risks connected with negative stakeholder sentiment and action, and to optimise the potential for positive influence by stakeholders on the organisation’s legitimacy and reputation. To be successful, this process requires specific skills, planning, execution and analysis.

2. STAKEHOLDER CATEGORIES

- 2.1. The first group comprises stakeholders with whom we have a direct, contractual relationship: namely, our people, our clients, our partners, our suppliers, and our investors.
- 2.2. The second group comprises stakeholders who do not necessarily have a contractual relationship with Stanbic Group, yet fall within the Group’s sphere of influence, and thus have a stake in our performance; namely civil society organisations, professional bodies, regulators, policy-makers, academia, legislators, the diplomatic community, political parties, special-interest and advocacy groups, analysts, researchers and think tanks, the media, and non-governmental organisations.

3. USE OF THESE GUIDELINES

- 3.1. These guidelines are relevant for all employees of the Group regardless of location, business unit, or corporate function, in all their stakeholder interactions.
- 3.2. These guidelines reflect the Group's principles for Stakeholder Engagement and may be supplemented by further guidance at Business Unit or Corporate Function levels, from time to time.
- 3.3. Each Business Unit and Corporate Function is primarily responsible for identifying and engaging with its stakeholders, in accordance with these guidelines and other relevant policies and standards.

4. PRINCIPLES OF STAKEHOLDER ENGAGEMENT

- 4.1. These guidelines are intended to assist and guide Group entities in their stakeholder engagement activities based on the Group's stakeholder engagement principles. These principles are aligned to the Group's values and code of ethics which underpin all stakeholder engagements.
- 4.2. Our Group stakeholder engagement principles state that:
 - The Group is committed to engaging with its stakeholders in a respectful and constructive manner, listening to concerns and suggestions with an open mind
 - The Group strives to be reasonably accessible to its stakeholders
 - The Group strives to be responsive to legitimate stakeholder concerns
 - The Group is transparent in its stakeholder engagements
 - The Group's Code of Ethics and values underpin and inform our engagements with stakeholders
 - All legal entities, business units, and corporate functions are primarily responsible for managing engagement with their material stakeholders in line with relevant standards, policies, and guidelines
 - Material stakeholder engagements should be reported to the main Board.

5. STANBIC GROUP KENYA'S APPROACH TO STAKEHOLDER ENGAGEMENT

The ways in which we engage with our stakeholders and the frequency with which we do so, vary according to stakeholder groups. It may be initiated by the stakeholders or by the Group. Below are the components of how stakeholder engagement is managed within the Group.

5.1. Decentralised Operating Model

The Group uses a decentralised stakeholder engagement model in which individual legal entities, business units and corporate functions, manage their stakeholder engagement and are responsible for identifying stakeholder concerns and taking

appropriate action. Maintaining constructive relations with legitimate and material stakeholders is a core responsibility of each legal entity, business unit and corporate function.

Nevertheless, certain stakeholders require dedicated relationship management, and this is the responsibility of specific business units within the Group (see below for more details).

5.2. Governance and Oversight

The Board of each legal entity has delegated its oversight of stakeholder engagement to the Executive Committee (EXCO). EXCO receives and considers a monthly report on material stakeholder engagement across the Group. Governance standards, policies and guidelines pertaining to stakeholder engagement are endorsed by EXCO and approved by the Board.

The CE of the Legal Entity is the person responsible for stakeholder engagement with material stakeholders in the country.

The CE in the Legal Entity may do the following:

- Place Stakeholder Engagement as a standing agenda item on the Executive Committee on a monthly basis.
- Develop and implement a country-level stakeholder engagement guideline or policy based on the Group principles.
- Delegate responsibility for the oversight of stakeholder engagement to an appropriate executive.

5.3. Identifying material stakeholders

Legal entities may choose to map their material stakeholders and develop stakeholder engagement programmes on the basis thereof. Tools to assist in this work are available from the central stakeholder engagement team in Standard Bank Group Policy Advocacy and Sustainability.

5.4. Engaging with specific stakeholder groups

Relationships with certain specific stakeholders are the primary responsibility of specific teams within the Group due to the specialised nature of these relationships and the high potential for reputational risk to the Group.

Legal entities should be mindful of this and exercise care when engaging such stakeholder groups. As such, at country level, such engagements should be led by the CE, with where appropriate the involvement of the relevant group subject matter experts and relationship owners:

- Government officials (*CE, Head, Public Sector and Group Compliance*)
- Regulators and supervisory bodies (*CE, Group Company Secretary and Compliance*)

- Civil society organisations and special interest groups (*Head, Public Sector*)
- Environmental and social rights groups (*CE, Risk, Group Company Secretary and Compliance*)
- Investors and analysts (*Investor Relations*)
- Media (*Marketing & Communications*)

5.5. Dedicated stakeholder engagement capability

- Legal Entities may choose to maintain a dedicated stakeholder engagement capability. This could take several forms:
 - Additional responsibilities allocated to appropriate executive or senior manager
 - Appointment of a suitably qualified person into a newly created stakeholder engagement manager role
 - Establishment of a stakeholder engagement team
- Ideally, stakeholder engagement positions should report to the Legal Entity CE or designated executive.
- The purpose of such a capability is to coordinate stakeholder engagement activities and promote a systematic approach, manage reputational risk, and facilitate reporting on material stakeholder engagements. Job descriptions and competency profiles for such roles are available from Standard Bank Group Policy, Advocacy and Sustainability.
- Functions performed by a dedicated capability may include:
 - Compiling a monthly and quarterly report on the Legal Entity's material stakeholder engagement activities for EXCO and the Board respectively.
 - Facilitating stakeholder engagement on behalf of Legal Entity CE on a proactive or reactive basis.
 - Managing an annual programme of stakeholder engagement on behalf of the Legal Entity CE on a proactive basis.
 - Providing advice and support in facilitating and managing stakeholder engagements for the Legal Entity.
 - Monitoring relevant stakeholder developments and providing the Legal Entity CE with insight thereon.
 - Compiling a stakeholder map of material stakeholders for the Legal Entity.
 - Liaising with the central stakeholder engagement team in Standard Bank Group Policy, Advocacy and Sustainability where needed.

5.6. Stakeholder Engagement Toolkit

A Stakeholder Engagement Toolkit to support the Stakeholder Engagement guidelines is available. It provides practical steps on the following: developing a stakeholder engagement strategy, stakeholder mapping, stakeholder engagement

preparations and feedback and reporting. The toolkit is available from Standard Bank Group Policy Advocacy and Sustainability.

6. RELATED STANDARDS, POLICIES AND PROCEDURES

- Group Code of Ethics
- Group Social Media Policy
- Group Gifts and Entertainment Policy
- Group Environmental and Social Risk Governance Standard and Policy
- King IV Code of Corporate Governance

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