

ABBREVIATIONS

CONTENTS

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action Plan
- Group Sustainability
 Governance Framework
- GRI Checklist

BSC	Board Sustainability Committee
CAP	Corrective Action Plan
СВК	Central Bank of Kenya
СМА	Capital Markets Authority
C-SAT	Customer Satisfaction Score
ERM	Enterprise Risk Management
ERMF	Enterprise Risk Management Framework
ESDD	Environmental and Social Due Diligence
ESG	Environmental Social Governance
ESMS	Environment and Social Management System
ESR	Environmental and Social Risk
GRI	Global Reporting Initiative
Hi-Po	High Potential
HR	Human Resource
IFC	International Financial Corporation
IPCC	Intergovernmental Panel on Climate Change
ISMS	Information Security Management Systems

ISO	International Organization for Standardization
JEC	Job Evaluation Committee
KBA	Kenya Bankers Association
KCDF	Kenya Community Development Foundation
KwH	Kilowatt Per Hour
LED	Light-emitting Diode
MSME's	Micro, Small and Medium Enterprises
MwH	Megawatt Per Hour
NSE	Nairobi Securities Exchange
NPS	Net Promoter Score
NOHC	Non-Operating-Holding Company
PBT	Profit Before Tax
RCP	Representative Concentration Pathways
ROE	Return on Equity
SDGs	Sustainable Development Goals
SFI	Sustainable Finance Initiative
TCFD	Task Force on Climate Related Financial Disclosures

DEFINITIONS

Sustainable Finance

UN Global Compact

I&M Group

I&M Kenya

I&M Tanzania

I&M Rwanda

I&M Uganda

I&M Foundation

Bank One

Taskforce On Climate-Related Financial Disclosures (TCFD)

implementation.

CO	CONTENTS						
\bigcirc	Abbreviations						
•	Definitions						
0	About This Report						
0	Message from Group Executive Director						
\bigcirc	Our Sustainability Highlights 2023						
0	About I&M Group						
0	Our Approach to Sustainability						
\bigcirc	Our Sustainability Action						

Group Sustainability Governance Framework
Governance Framework

GRI Checklist

Plan

Carbon Footprint	Quantity of the total greenhouse gases, mainly carbon dioxide, directly or indirectly released by the Group.
Greenhouse Gases (GHGs)	Gases, such as carbon dioxide, methane and nitrous oxide, that capture heat from the atmosphere and contribute to global warming.
Global Reporting Initiative (GRI)	GRI is the non-governmental organization behind the GRI Framework which is the standard structure used by companies around the world to report sustainability data.
Intergovernmental Panel on Climate Change (IPCC)	The IPCC is a United Nations body that assesses the scientific aspects of climate change.
International Organization for Standardization (ISO)	An independent, non-governmental body that develops and publishes standards encompassing products, systems, and services to ensure quality, safety and efficiency.
Renewable Energy or Green Energy	Energy sourced from naturally replenished resources such as wind, solar and hydro.
Scope 1 Emissions	Direct emissions from Group-owned or -controlled sources, such as emissions from vehicles and onsite fuel combustion.
Scope 2 Emissions	Indirect emissions from electricity, steam, heating and cooling generated for, purchased and utilized by the Group.
Sustainable Development Goals (SDGs)	Sustainable Development Goals tackle global challenges like poverty, inequality and climate change.

The practice of considering environmental, social and governance (ESG) factors when making financial decisions.

Non-binding United Nations pact to get businesses and firms worldwide to adopt sustainable and socially responsible policies and to report on their

I&M Group Plc - the non-operating entity that includes I&M Kenya, I&M Tanzania, I&M Rwanda, I&M Uganda, I&M Bancassurance Intermediary Limited, I&M

Capital Limited, I&M Burbidge Capital Limited, I&M Realty Limited, Investments and Mortgages Nominees Limited, Giro Limited and Bank One Limited.

TCFD is focused on improving and increasing the reporting of climate-related financial information.

I&M Bank Limited - the Group's banking subsidiary in Kenya.

I&M Bank (T) Limited - the Group's banking subsidiary in Tanzania.

I&M Bank (Rwanda) Plc - the Group's banking subsidiary in Rwanda.

Bank One Limited - the Group's joint venture partner in Mauritius.

I&M Bank (Uganda) Limited - the Group's banking subsidiary in Uganda.

The entity that spearheads the shared value agenda under I&M Kenya.

ABOUT THIS REPORT

This inaugural Sustainability Report from I&M Group Plc ("I&M" or "the Group") provides a detailed overview of the non-financial performance and disclosures for the financial year 2023 and complements the Group's performance as outlined in it's 2023 Annual Integrated Report. This report is a testimony to and showcases the progress made over the last 3 years, setting a strong foundation for the Group's sustainability agenda.

This report demonstrates the Group's commitment to incorporate sustainability including ESG principles in all aspects of its business operations to further the UN SDGs. It also outlines the short, medium and long-term material issues and discloses the Group's efforts to impact lives and create value across the Group and its subsidiaries. The report should be read together with the I&M Group Plc's 2023 Annual Integrated Report for a detailed overview of the value created for the Group's stakeholders.

Reporting frameworks

CONTENTS

() Abbreviations

About This Report

Message from Group Executive Director

About I&M Group

() Our Sustainability Action

Governance Framework

Our Sustainability
Highlights 2023

() Our Approach to

Sustainability

() Group Sustainability

GRI Checklist

() Definitions

I&M became a signatory to the UN Global Compact in 2023. The Group's sustainability agenda is in line with the core values of the UN Global Compact as well as with the recommendations made by the CBK regarding the management of financial risks associated with climate change. The report follows the NSE's ESG Disclosures Guidance Manual.

The data displayed in the different categories demonstrate the Group's dedication to communicating with its stakeholders ethically and transparently. In addition, the Group is currently implementing systems and procedures across all its subsidiaries to ensure comprehensive tracking of its sustainability initiatives. This report adheres to the Core Reporting option of the Global Reporting Initiative (GRI) standards and follows the recommendations of the TCFD. These two standards are well recognized for their guidelines on reporting and disclosures in respect of sustainability and global climate issues. To improve transparency, the index table for the GRI standards that details the Group's information disclosure practices has been incorporated in this report. It is important to note that this report has not been certified by GRI. Other standards, such as the IFC performance standards and the Equator principles, that guide the Group's sustainable investment practices have also been considered in the preparation of this report.

The foundational findings and objectives emphasized in this sustainability report align with climate change mitigation and adaptation requirements, social inclusivity and ethical business practices at the local, national and international levels. I&M is keen to utilise its influential position as a mindful market leader and collaborator to help achieve a low-carbon economy and promote sustainable investment and financing in Eastern Africa.

This report has undergone review and approval by I&M's Board of Directors. For any questions or comments that require attention, please contact us at investor-relations@imgroup-plc.com

Board Sustainability Committee Members



Rose Kinuthia Chairperson



Micheline Ntiru Member



Phyllis Wakiaga Member



Sarit Raja Shah Member



Kihara Maina Member



Gul Khan Member



Gauri Gupta Member



Stella Kariuki Secretary

MESSAGE FROM GROUP EXECUTIVE DIRECTOR

CONTENTS

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability
 Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability
 Governance Framework
- GRI Checklist

It gives me immense pleasure to present our first-ever Sustainability Report and to note this aggregation of synergetic co-operation and teamwork from a diverse team within the Group's ecosystem. We do not take our position as an industry leader lightly and are privileged to be able to contribute towards accelerating changes required to address the challenges we are facing as a society and a planet in crisis.

The baselines, policy and oversight frameworks outlined in this document are designed to guide the Group on mitigating risks associated with climate change and other societal challenges. Our newly adopted approach to sustainability shall be the basis of all future endeavours of the Group towards building a more adaptive, resilient, inclusive and sustainable business.

The world today is undergoing a myriad of challenges, from low economic growth rates in developed countries, increasing debt burdens in developing markets, higher operating costs, geopolitical conflicts and a rapidly growing population combined with demands on our natural resources increasing to levels not seen before. Over the last decade, calls to consider the impact on these resources have

become louder. Climate change is the most pressing issue, especially in the markets in which the Group is present. This also has a follow-on impact on development and, therefore, the society at large.

At I&M, we are aware of the urgent need to address these issues. As we focus on building resilience in our business, we are committed to delivering the right solutions to our customers and other stakeholders. We acknowledge the pivotal role we play in directing finance and the impact it creates. We are, therefore, constantly engaging all our stakeholders (as outlined in our stakeholder management policy) to ensure we drive positive impact across a broad spectrum of our ecosystem. Our commitment to transforming lives deepened with the setup of the I&M Foundation in 2019 and through which we have been able to make a positive impact on lives and create sustainable livelihoods for the future.

In 2022, the Board approved the ESG framework, defining the Group's commitment to sustainable practices. This framework focuses on collaborative economic and social developments of the markets within which we operate. It also considers specific business requirements, applicable regulatory and legal frameworks and the complexity of our products and services. Having said this, it is a matter of pride for all of us that I&M has been at the forefront of considering environmental and social impact long before the formalization of the ESG framework.

This Sustainability report highlights the Group's contribution to:

- i) community and social impact programs,
- ii) reduction of carbon emissions,
- iii) sustainable production & consumption initiatives, as well as
- iv) the transformation of the organization's culture to focus on sustainability including climate-related risk management, supporting economic empowerment and financial inclusion besides ensuring the continued profitability of our business.

We credit our achievements to our staff across the Group, who continue to diligently serve our customers by providing relevant and innovative solutions.

I encourage you all to join the Group as it navigates the problems facing our economies and the world at large. As you read this report, please consider how we might work together towards a brighter tomorrow. We continue to be aware that much work needs to be done to guarantee that the requirements of the next generation are met. Keeping this in mind, we recently strengthened our operating framework and embarked on our new 3-year strategy, iMara 3.0 (2024-2026), which fully embeds sustainability in all aspects of the business. By incorporating the sustainability agenda into the Group's strategy, we hope to hasten the movement towards creating a positive sustainable impact for a prosperous future and create value for the organization and all its partners and stakeholders.



Warm regards,

Sarit S. Raja-Shah Group Executive Director

OUR SUSTAINABILITY HIGHLIGHTS 2023

CONTENTS

- Abbreviations
- Definitions
- About This Report
- Message from Group **Executive Director**
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability Governance Framework
- GRI Checklist



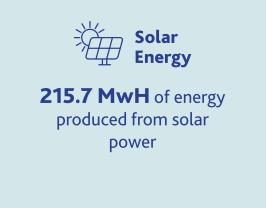
40 Branches undergo

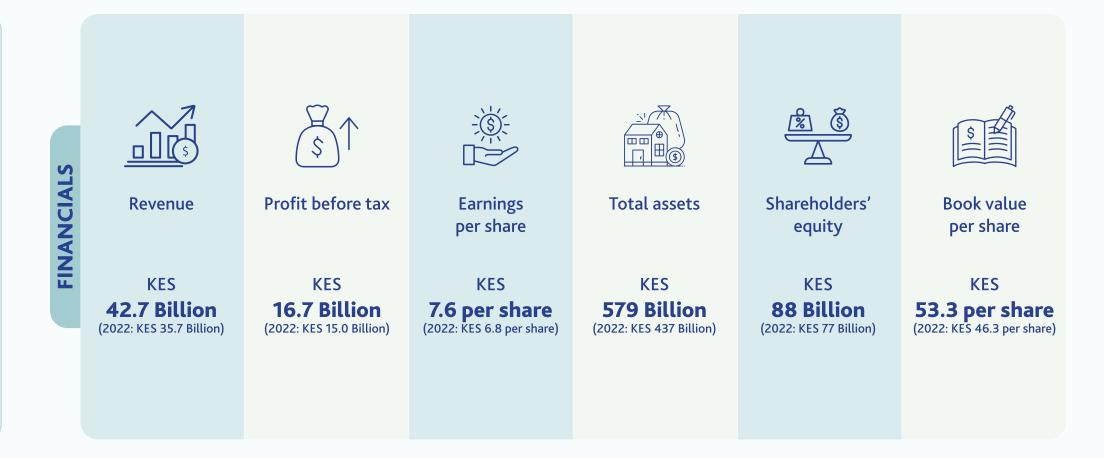
climate-related physical

risk resilience assessment.

+30 MW

Capacity Financing





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	Customer Base	Digital Active Customers	Digital Transactions	Net promoter score (NPS)	Cybersecurity maturity score
SOCIAL	+558,000	78%	81%	71%	93%
SOC	2 <u>2</u> 2		(°.8°)		\$
	Employees	Employee Engagement Score	Social Investments made	I&M Foundation Scholarships	Economic empowerment support
	+2,800	78 %	KES 76 million	>420	>500 women supported

Growing

Trees grown since 2021

>430,000





Who We Are

Our Footprint

Our Strategic Enablers

ABOUT I&M GROUP

CONTENTS

- Abbreviations
- Definitions
- About This Report
- Message from Group **Executive Director**
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability Governance Framework
- GRI Checklist

Who We Are

The Group has a long-standing presence in the Kenyan market as a provider of a wide range of financial and real-estate services. Incorporated on 16th August 1950 under the name City Trust Limited, it is one of the oldest companies to list on the NSE. As of the end of 2023, the Group had 4,605 individual and institutional shareholders.

The Group's regional network spans 4 other countries, with banking operations in Rwanda, Tanzania, Uganda and a joint venture in Mauritius. I&M also has non-banking subsidiaries that complement its financial services. These include I&M Bancassurance Intermediary Limited, I&M Capital Limited, I&M Burbidge Capital Limited, I&M Realty Limited, Investments and Mortgages Nominees Limited and Giro Limited.

The focus on shared values and impact on the environment and society is championed through the I&M Foundation, the social arm under I&M Kenya. I&M Foundation is managed by an independent Board of Trustees and has a particular focus on environment conservation, education and skills development, economic empowerment and enabling giving. Further, each subsidiary participates in social activities at their respective country level.

> **Total Shareholders** 4,605

Our Brand Promise On Your Side

Our Purpose **Empowering Your Prosperity**

Our Core Values

PANI

Respect





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Trust

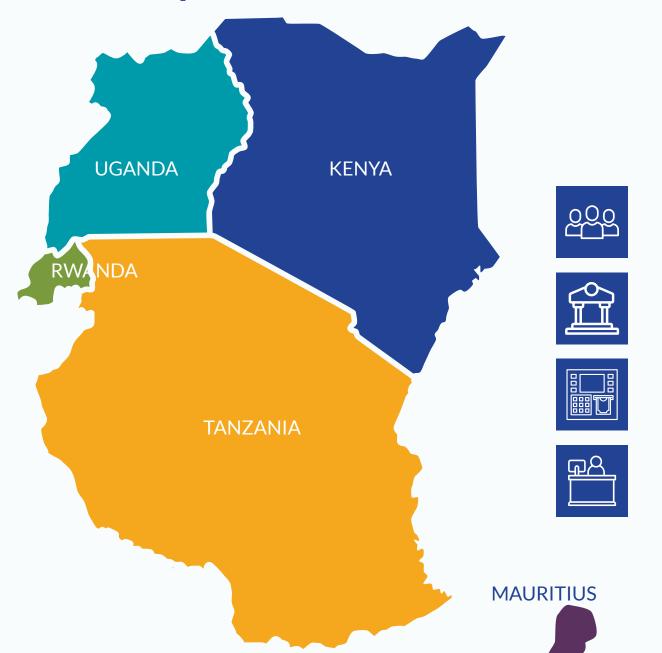


Integrity

Our Behaviours

- O Data-driven
- **⊘** Candid
- Empowered
- **⊘** Collaborative

Our Footprint



				\$		
	Kenya	Tanzania	Rwanda	Uganda	Mauritius	TOTAL
Customers	326,000+	23,000+	82,000+	79,000+	48,000+	558,000+
Branches	49	8	17	12	7	93
ATMs	49	11	38	14	10	122
Staff	1,459	189	467	295	417	2,800+

*As at 31st December 2023

- Abbreviations
- Definitions
- About This Report
- Message from Group **Executive Director**
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability Governance Framework
- GRI Checklist

Our Strategic Enablers

	Customer Experience	Our solutions are designed with our customer- centric approach in mind, ensuring that every customer receives the intended experience.
	Strategic Partnerships	By leveraging our strategic partnerships, we are able to service customers across the various stages of their lifecycle.
	Data Analytics	We drive and enable business decisions by leveraging data to ensure we efficiently serve our stakeholders.
<u> </u>	High-Performance Culture	Our driven people and excellent culture are major forces behind advancing our customer experience and making sure that customer-centricity stays at the core of our company.

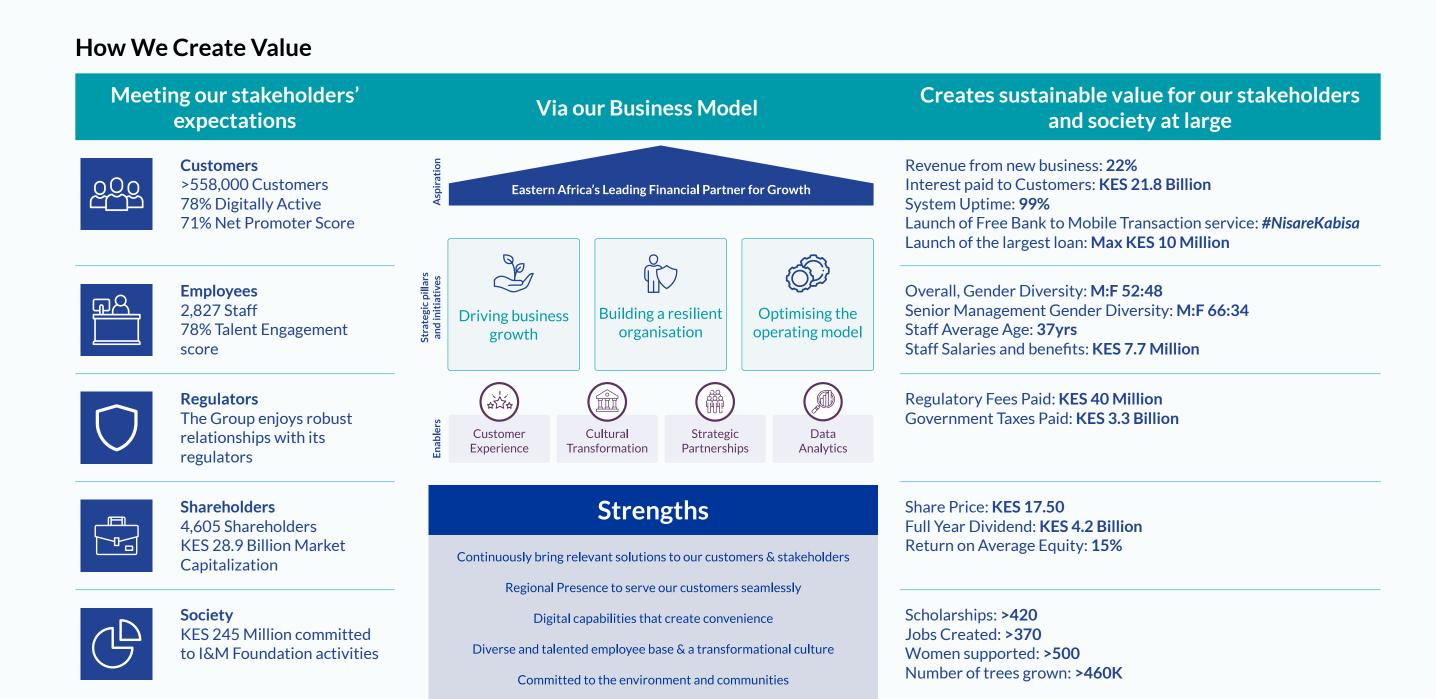
Our Stakeholders

Our Sta	keholders	
200	Our Clients	 Corporates High Net-Worth Clients SMEs Private Equity Development Finance Institutions
<u> </u>	Our Employees	Permanent EmployeesFixed contract employeesConsultantsInterns
	Regulators, Government Agencies, Local Authorities and Industry Forums	 Central Banks Capital Markets Authority in Kenya, Rwanda and Uganda Nairobi Securities Exchange Rwanda Stock Exchange Insurance Regulation Authority Bankers Association National Treasury Revenue Authorities in Kenya, Uganda, Tanzania, Rwanda and Mauritius UN Global Compact
	Investor Community	ShareholdersInvestorsAnalysts
	Other Stakeholders	MediaService Providers and Suppliers

• Other community & public at large

Our Products and Services

Key Segn	nents	Key Offerings Impact Areas		SDGs
	Corporate and Institutional Banking	Lending to corporatesFinancial AdvisoryTransactional Banking Service	Sustainable and Climate Finance Trade Finance Investment	7 AFFORDABLE AND BECONT WORK AND CLEAN ENERGY 9 INDUSTRY, INDUSTRY, INDUSTRIC PLAN AND INFRASTRUCTURE
(2)	Personal and Business Banking	MSME offeringsWorkplace BankingStock FinancingAgricultural FinancingDigital Offering	Transaction products and services Financial Access through borrowing (business expansion, asset financing and trade)	2 ZERO 8 BECENT WORK AND FOLNOMIC GROWTH 9 MOUSTRY, INNOVATION INSTITUTIONS INSTITUTIONS





OUR APPROACH TO SUSTAINABILITY

CONTENTS

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		76		ш		111	16

\bigcap	About	This	Report
	About	11115	Report

- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability
 Governance Framework
- GRI Checklist

Stakeholder Engagement

The Group recognizes and appreciates the need for stakeholder engagement and that active cooperation is essential for the Group's sustainable business performance, public trust and confidence. The Group's stakeholder management policy is founded on transparency, active listening and equitable treatment that favours a consultative and collaborative engagement with all stakeholders.

The objectives of the Group to continuously engage stakeholders formally and informally are to:

- 1. Foster a comprehensive understanding of stakeholder needs, interests and expectations.
- 2. Offer guidance on how the Group should interact with stakeholders to fortify and sustain relationships.
- 3. Identify opportunities and risks stemming from material issues raised by stakeholders.
- 4. Support strategic and sustainable decision-making processes.

Stakeholder engagement is decentralized within the Group. Every employee is responsible for cultivating relationships and meeting stakeholders' expectations within their respective areas of responsibility. If a stakeholder is dissatisfied with the service or assistance they receive, various channels are available to voice their concerns.

These include contacting or reporting through:

- Client call center
- Social media platforms and
- Reaching out to their contacts at the Bank.

All these contact options are listed on the "Contact Us" page of the Group's corporate website. The Group has established appropriate engagement methods tailored for each stakeholder group as tabulated below. Stakeholder concerns are assessed annually for compliance by the Group Risk & Compliance department and the Board Audit & Risk Management Committee. Relationships with each stakeholder group are overseen and managed by members of the Group's leadership team with specific individuals identified as the responsible executive.



Stake	holder	Purpose of Engagement	Frequency and Mo	ode of Engagement
200	Customers	 Understand aspirations Provide appropriate financial solutions Maintain high service levels Inform product development Ensure accurate personal and business information 	 Continuous engagement via Sales agents Branch outlets Relationship managers Call centre & alternative banking channels Face to face meetings, formal written correspondence, emails and newsletters Marketing and advertising 	Occasional engagement via Regional heads Senior management Customer events Surveys
	Employees	 Provide strategic direction Ensure that we remain an employer of choice Understand needs and concerns 	 Continuous engagement via Direct communication between reports Face to face and written communication CEO's monthly newsletter 	Occasional engagement via Digital broadcast Engagement survey Townhall meetings Group recognition functions
\bigcirc	Regulator	 Maintain honest and transparent relationships Ensure compliance Retain operating licenses and minimize operational risk 	Occasional engagement via Various industry and regulatory forum Meetings between regulators and our l	
	Shareholders	 Provide relevant and timely information Manage expectations and reputational risk Maintain strong relationships Ensure good governance Get feedback that informs our strategy 	 Continuous engagement via Investor briefings and presentations Annual integrated reports Annual general meetings 	Occasional engagement via Extraordinary general meeting Investor individual / group meetings Investor roadshows
	Government Agencies, Local Authorities & Industry Forums	 Build and strengthen relationships Provide input into legislative development processes Be a partner in the transformation of the local economy Learn through interaction Promote viewpoints on key industry issues Influence and/or promote common agendas 	Occasional engagement via Engagements with national and county Participation in consultative industry a	
a	Media	 Share business and value-creation story Empower audiences to make informed financial decisions 	 Continuous engagement via Strategic partnerships One on one engagement session Sponsorship corporate events & launches 	Occasional engagement via Interviews Media/press briefing
(🗀	Service Providers & Suppliers	 As required or dictated by performance contracts and/or agreements Obtain products or services Maintain an ideal and timely supply of goods and services Encourage responsible practices across our supply chain Include critical suppliers in cross-functional teams 	 Continuous Engagement via One on One negotiations Finalisation meetings Follow up and after sales service 	
9	Others – Community & Public at large / Environment	 Create partnerships that facilitate our integrated sustainability activities Obtain input from environmental experts, communities and nongovernmental organisations Create awareness of our "shared growth" commitment and initiatives 	Continuous Engagement viaGroup's websiteSocial media handlesAnnual Reports	Occasional engagement via • Press releases • Media statements

- () Abbreviations
- Definitions
- About This Report
- () Message from Group **Executive Director**
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- () Our Sustainability Action
- () Group Sustainability Governance Framework
- GRI Checklist

MATERIAL TOPICS

In complement to the Group's stakeholder engagement, each year, the I&M Group conducts a comprehensive assessment of all the variables that have a major impact on its ability to sustain its business, its relevance to society and the quality of its relationships with stakeholders. It is a collaborative internal process involving the board, senior management and staff. As part of this process, the Group identifies the common concerns that different stakeholders frequently raise, evaluates them and ranks them according to their importance. The Group then uses this data to guide the creation of policies, action plans and strategies that ensure its overall plan stays relevant.

Approach to Materiality

When conducting this assessment, the Group applies the principle of double materiality, where it recognizes that its business operations have both financial and non-financial ramifications. Furthermore, environmental and social factors also significantly impact the Group's performance, strategy and business operations. As such, the Group consciously evaluates the complexities inherent in non-financial and financial factors, ensuring the appropriate prioritization of these aspects in its business planning and execution. In determining the material matters, the Group undertakes a thorough analysis of stakeholders and feedback received from the engagement process as set out in the Stakeholder Engagement Policy. The processes followed for determining material topics is summarized below:

I&M's process for value creation is achieved by maintaining consistent communication with all its external as well as internal stakeholders. I&M recognizes that potential significant concerns are a shared responsibility Identify/ across the organization and necessitate input from all business units, Engage divisions and regions. As such, input and feedback from all stakeholders are considered during this phase.

> The output from the engagement is then collaboratively reviewed in order of relevance and potential impact. The Group's senior management and leadership team then considers these before a final review and clearance by the

Board.

11.

Rank/

Prioritise

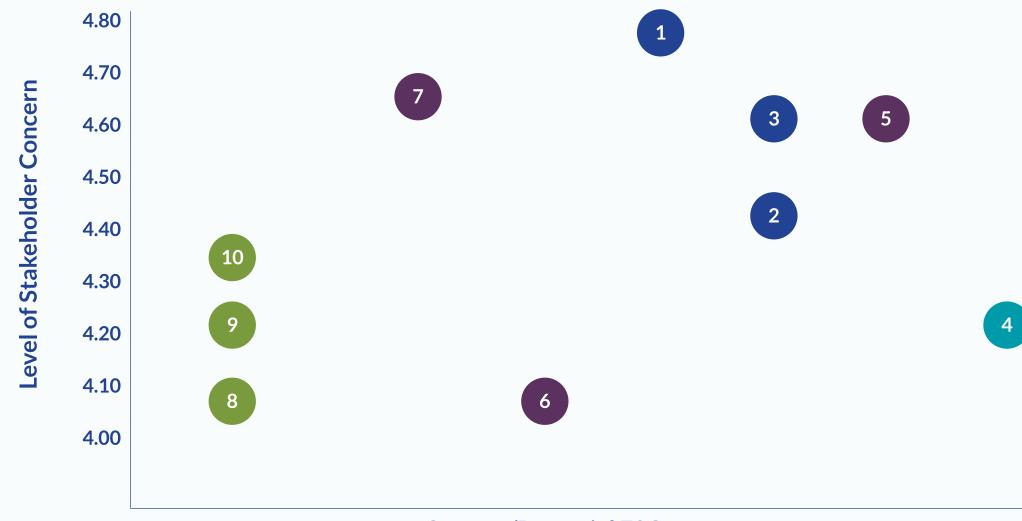
The material matters are reviewed annually to ensure that I&M focuses on the most current industry trends affecting Apply/ its business and which in turn informs I&M's short medium Review and long-term strategy.

Determining the Group's material matters also requires a thorough analysis of stakeholders and their participation. Due to the diversity of our stakeholders, the Group leverages its stakeholder engagement policy in this process. Notably, the procedure for determining material topics is emphasized below.

In 2022 -2023, the Group determined and prioritized its key matters by considering their relevance to strategy, potential risks, impact on the business and community and the relative importance of each issue as ranked by each category of stakeholder.

General	Economic	Social	Environmental
 Business Values, Transparency & Ethics Board Composition Risk Management, Internal Control & Compliance 	4. Financial Performance and Profitable Growth	5. Data Privacy Cybersecurity6. Customer Service & Experience7. Human Capital	 8. ESMS integration, 9. Climate Risk Strategy, Energy & Carbon Emissions 10. Impact on community

Mapping of Material Topics



Current/Potential ESG Impact

() Abbreviations

() Definitions

About This Report

() Message from Group **Executive Director**

() Our Sustainability Highlights 2023

About I&M Group

Our Approach to Sustainability

Our Sustainability Action

() Group Sustainability Governance Framework

() GRI Checklist

Material Matters Unpacked

Material Matters Description **Impact** General Business Values, Transparency & Ethics - The Group prioritizes adhering to rules and regulations in all the countries where it operates KES 40 Million penalties were incurred across the Group in 2023 in comparison to KES 25 Million incurred in 2022. Active measures to prevent such penalties from occurring are being implemented and promotes the utmost standards of business ethics. To achieve this, the Group has implemented robust policies against bribery and corruption, established a whistle-blowing platform and conducted training for all its staff and board members. **Board Composition** - Through the Board Nomination Remuneration & Governance Committee, the Board regularly reviews the 56% Independent Directors, 33% Women Directors, Board Skills include: Audit, Finance, Strategy, Technology & Innovation, Directors' skills and composition ensuring adequate skills and experience at Board level to steer the Group's strategic vision and Risk Management, Corporate Governance and Law. positioning. Risk Management, Internal Control & Compliance - The Group advocates for a balanced approach to risk management that addresses Risk Maturity assessment is an ongoing assessment to ensure adequacy of Risk Management, Internal Controls & the downsides as much as the risk taking and the performance culture that encompasses the totality of the risk universe. Risk Compliance. prevention and management is part of our culture and risk is everyone's' responsibility" Financial Performance and Profitable Growth (Macroeconomic Environment & Business Performance) - The prevailing **Fconomic**

LCOHOHIIC	
4	

macroeconomic conditions heavily influence the Group's capacity to generate value. This risk is managed by being proactive and ensuring that risk management policies are not only robust but also centred on fostering growth in economically sustainable sectors. This is further supplemented by implementing expansion strategies to build a diversified business portfolio. All of these measures enable the Group to be remain resilient in the face of macroeconomic challenges.

Metric	2021	2022	2023
ROE	12%	15%	15%
Profit Before Tax Growth	13%	21%	11%

Social





Data Privacy Cybersecurity - The rapid advancements in technology and the growing reliance on digital products, services and platforms expose customers to potential cybersecurity risks and privacy concerns. To safeguard our customers, we make substantial investments to enhance our IT systems, refine our operational processes and nurture our skilled workforce

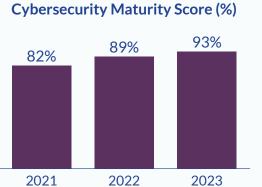
Customer Experience - With the rapid changes in the macro economic environment the Group has a commitment to remain responsive to the customer's needs. The Group focuses on enhancements of the different platforms geared at levelling up customer experience and developing propositions that are relevant to the market.

Human Capital (Talent Retention and Development) - The Group recognizes the importance of cultivating a highly efficient and performance-oriented workforce to achieve its strategic goals and positively impact the broader community. This is achieved through training, recruitment, retention efforts and the proliferation of the Cultural Transformation Program. I&M's succession planning process is specifically crafted to facilitate the identification of exceptionally talented personnel across various business units. The Group regularly assesses and appraises pivotal roles to support the succession planning process and ensure a stable future for the organization.

ISO/IEC 27001 certification (which enhances the Group's capabilities in managing information security effectively) was successfully awarded to I&M Kenya, I&M Tanzania and I&M Rwanda in 2024, with I&M Uganda beginning the evaluation process in Q4 2024. Cybersecurity maturity score increased from 82% in 2021 to 93% in 2023;

NPS - 71% Customer Satisfaction Score (CSAT) - 72%

E&S Risk Management and sustainable finance training to 200 Business staff members in 2023. Over 15,000 learning hours were achieved and over 12,000 courses were completed. A 98% training ratio, with 1235 out of 1263 employees receiving at least one form of training in 2023, was achieved.





Environment







ESMS integration Climate Risk Management & Impact on community - The prevailing macroeconomic conditions heavily influence the Group's capacity to generate value. This risk is managed by being proactive and ensuring that risk management policies are not only robust but also centred on fostering growth in economically sustainable sectors. This is further supplemented by implementing expansion strategies to build a diversified business portfolio. All of these measures enable the Group to be remain resilient in the face of macroeconomic challenges.

- 1. Adoption of the ESG policy framework to guide the Group's sustainability initiatives.
- 2. Adoption of Sustainable waste management practices, which includes e-waste management.
- 3. Efficient use of resources within the business.
- 4. Adoption of Sustainable procurement practices through an approved Third-party Code of conduct.
- 5. KES 245 Million of FY 2023 PBT contributed to I&M Foundation



Pillar 1 - Enabling Last Mile **Financial Solutions**

Pillar 2 - Business Sustainability

Pillar 3 - Enhancing Quality of Life

SUSTAINABILITY **ACTION PLAN**

OUR SUSTAINABILITY ACTION PLAN

About I&M Group

Our Sustainability Action

Governance Framework

Group Sustainability

GRI Checklist

Our Approach to Sustainability

At the end of FY 2023, I&M reviewed and revamped its medium term strategy, dubbed iMara 3.0. This revamped strategy has fully embedded the sustainability agenda allowing seamless connection between the Group's **CONTENTS** sustainability and business initiatives. I&M's achievements under the previous strategy iMara 2.0 have been set as the baseline for the KPIs and targets for upto end of FY 2026. The overarching aspiration of I&M's Sustainability () Abbreviations Agenda is to impact 50 Million lives by 2030. Over the next three years to 2026, the Group intends to positively impact more than 10 Million lives starting from a base of 2.1 Million lives in 2023. Definitions The sustainability action plan is focused on three pillars: About This Report 1) Enabling last mile financial solutions 2) Sustainability of I&M's business and operations and Message from Group **Executive Director** 3) Enhancing the quality of life of the wider community. Our Sustainability In the sections that follow, we discuss in more detail, progress noted in 2023 as well as the targets over the next 3 years. The Group has committed to support and work towards achieving 9 of the 17 Sustainable Development Highlights 2023 Goals (SDGs) as shown in the next page.

Positively Impact over 50 million lives by 2030 **Aspiration** > US \$ 50Mn of funding catalysed across **3-Year Impact Objectives** Positively impact > 10 million lives **Business Sustainability** various initiatives Sustainability of I&M's business "The Big Idea" - Enhancing the 1. Enabling last mile financial and operations quality of life solutions Resource efficiency **Pillars** Creating urban, green spaces Digital & MSME Proposition Sustainable procurement practices Promoting sustainable living Agribusiness • People - diversity and inclusion Green Finance spaces Scale solutions through Ecosystem & **Execution/ Enablers** Creating Impact through Collaboration Leveraging the I&M Foundation Partnerships No of businesses & individuals 10Mn Trees Planted Diversity and Inclusion **US\$30Mn in Green Financing** >75% employee engagement **KPI's** supported to earn meanful (a tree for every life Score/Rating disbursed/utilized impacted) income

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action Plan
- Group Sustainability
 Governance Framework
- GRI Checklist

UN-SDG	SDG	Sub-Target Alignment	Our Strategic Approach
2 ZERO HUNGER	2.3	Double the agricultural productivity and incomes of small-scale food producers, in particular women, Indigenous peoples, family farmers By 2030, ensure sustainable food production systems and implement resilient agricultural practices (including adaptation to climate change) that increase productivity and production	Supporting the value chain, aggregators and farmers through financing and non-financing measures Supporting farmers and agribusinesses towards climate smart agriculture practices
4 QUALITY EDUCATION	4.4 4.5 4.7	Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations Ensure that all learners acquire the knowledge and skills needed to promote sustainable development	Assisting needy students to complete secondary and tertiary education while also providing mentorship and life skills Continuous training of staff of I&M to realize our corporate strategy and sustainability agenda to impact the planet, people and profits positively Supporting youth to gain skills training through TVETs or vocational courses to gain meaningful employment Providing our customers (MSMEs) training on enhancing their business and financial acumen while also considering sustainability as part of their practices
			Training of suppliers on sustainability
5 GENDER EQUALITY	5.1 5.5	End all forms of discrimination against all women and girls everywhere Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making	Focused approach to empowering women to drive economic growth by providing relevant financial solutions (including digital solutions) Supporting women-owned or women-led businesses either through financing,
		 5. a Undertake reforms to give women equal rights to economic resources, financial services 5. b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women 	procurement and/or non-financial support Empowering female employees to "lean in"
		5. c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	Diversity and inclusion policy that supports equal gender representation across the organization

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action Plan
- Group Sustainability
 Governance Framework
- GRI Checklist

JN-SDG	SDG Sub-Target Alignment	Our Strategic Approach
7 AFFORDABLE AND CLEAN ENERGY	 7.2 Increase substantially the share of renewable energy in the energy mix 7. a Facilitate access to clean energy and technology, including renewable energy, energy efficiency 	Provide financing towards energy saving or clean energy projects Improving own energy consumption towards energy saving or clean energy mix Creating awareness and introducing clean energy products amongst the population,
13 CLIMATE ACTION	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	especially in rural settings Focus on forest restorations and create green spaces to mitigate environmental degradation.
Ω DECENT WORK AND	8.3 Support productive activities, decent job creation, entrepreneurship, creativity and innovation and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	Promote gender parity in the workplace and continuously address any discriminatory practices.
• ECONOMIC GROWTH	8.5 Employment and decent work for all and equal pay for work of equal value	Support MSME's growth through relevant financial solutions and business/financial literacy programs.
	8.6 Reduce the proportion of youth not in employment, education or training	Support women and youth businesses through both commercial and non-commercial financing.
	8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	Collaboration and continuous dialogue with regulators in each of the countries of I&M presence to support good governance
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.3 Increase the access of small-scale industrial and other enterprises to financial services, including affordable credit and their integration into value chains and markets	Support MSMEs growth through relevant financial solutions and business/financial literacy programs Leverage digital channels to increase access to financial services.

Abbreviations

Definitions

About This Report

Message from Group Executive Director

Our Sustainability Highlights 2023

About I&M Group

Our Approach to Sustainability

Our Sustainability Action Plan

Group Sustainability
Governance Framework

GRI Checklist

UN-SDG	SDG Sub-Target Alignment	Our Strategic Approach
11 SUSTAINABLE CITIES AND COMMUNITIES	11.7 Provide universal access to safe, inclusive and accessible green and public spaces	Focus on forest restoration tree growing activities and create green spaces to mitigate environmental degradation.
12 RESPONSIBLE CONSUMPTION	12.2 Achieve the sustainable management and efficient use of natural resources	Established baselines and set targets for energy, water, waste and carbon footprint for the Group
AND PRODUCTION	12.5 Reduce waste generation through prevention, reduction, recycling and reuse	Create awareness and education amongst customers, employees and other stakeholders to improve operational efficiencies.
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Evaluate the Group's portfolio against ESG criteria and create mitigating solutions.
		Develop products that support environmentally friendly practices.
PARTNERSHIPS FOR THE GOALS	17.3 Mobilize additional financial resources from multiple sources	Develop partnerships with DFIs, Foundations and other financial providers to further the above strategic initiatives and amplify impact.

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
 Plan
- Group Sustainability
 Governance Framework
- GRI Checklist



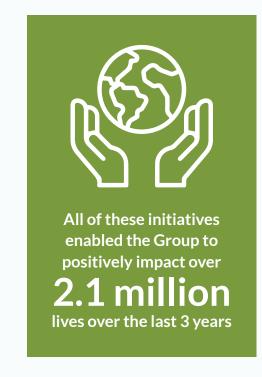
Digital and MSME Solutions

The Group is passionate about empowering its customers to plan and make decisions that matter most to them by providing a comprehensive array of financial products and services. There is a strong recognition that the economic and geopolitical challenges faced by the society at large have a disproportionate impact on people's ability to access capital. The Group's client relationships go beyond simply offering financial solutions to extending support to empower clients through financial management training and awareness. The goal is to become the customers' preferred partner for growth by creating products that offer a competitive advantage in the markets the Group operates in and by collaborating with like-minded organizations to enhance positive consumer experiences.

In 2023, the Group took a couple of bold and significant actions to expand access to affordable and valuable financial products and services. In the first instance with its "Nisare Kabisa" offering, where I&M Kenya became the first financial institution in the country to extend zero-cost transfers from the Bank to all mobile money transactions. A few months later, I&M Kenya introduced the largest unsecured personal loan in Kenya. Both these exemplify I&M's customer-centric approach and the Group's

commitment to support clients during challenging economic times. The tenure of the unsecured loan within the small businesses sector was also extended from 12 months to 36 months providing a more appropriate repayment period for businesses. As a result of these innovative products aimed in driving financial inclusion, the customer acquisition growth rate in I&M Kenya increased from 8% in 2022 to 59% in 2023.

In Tanzania, I&M Bank launched an aggressive campaign to double its agency network with the aim of extending banking services to remote areas. I&M Rwanda, on the other hand deepened the adoption of its WhatsApp banking solution, which has created a convenient channel to bring banking services to unbanked individuals. These initiatives are a testimony to the Group's objective of supporting financial inclusion in the region and creating convenient and accessible banking solutions.



As a commercial bank and financial institution, providing access to affordable relevant solutions is a key focus area across the Group in support of the agenda to drive financial inclusion.



Togetherness:



Victor Kaba describes Buffalo General Stores when he first launched it as, 'It was kind of a kiosk'. In the 16 years since then, it has grown to become a leading business in the construction industry, supplying building materials to customers across five counties including Homa Bay, Kisii, Migori, Narok and Nyamira. He credits I&M Bank with providing access to financing, payments & collections solutions and advisory services. The Kisii Town based trader relies heavily on I&M Bank's On-The-Go (OTG) Internet Banking platform to enhance operational efficiency as he is often on the move. He is an avid user of our Transactional Banking solution, Lipa na I&M Bank Paybill and the game changer for him is the solution where he gets real-time alerts and updates.

Embracing sustainability involves going beyond providing financial solutions. The Group aspires to be the best Bank in customer experience and its 6 core pillars are summarized by the unifying banner "Customer First" or "C-FIRST," which are pivotal in the delivery of its aspiration. The Group prioritizes:

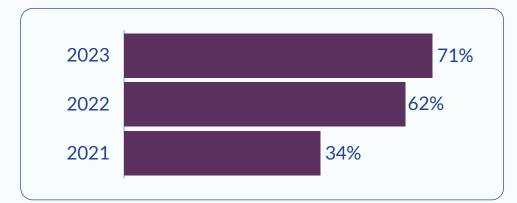


both internal teams and with our customers.

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability
 Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability
 Governance Framework
- GRI Checklist

I&M uses the net promoter score (NPS) and customer satisfaction score (C-SAT) to track its customer experience. While NPS measures the willingness of customers to recommend the business, CSAT measures customers' satisfaction level with the business.

Group NPS



72% CSAT Group Average

The positive drivers behind the Group's NPS stem from various factors. These factors include its secure, seamless and user-friendly online banking platform. Likewise, the Group's branches and contact center also offer a positive and swift in-person experience.

Moreover, the Group's transparent, trustworthy dealings and wide range of financial products tailored to individual needs contribute to the overall reliability and suitability of its service, ensuring customers have access to the necessary tools and resources for their financial well-being.

Speed of service is key to customer experience and in line with that, the Group has continuously endeavoured to provide market-leading turnaround times. In Kenya, I&M boasts one of the best turnaround times in customer onboarding, payments, lending and trade services.

The Group's key customer journey metric is the Service Level Agreement adherence, which stands at an average of **81**%.

I&M has set up stringent Complaint Management Standards that ensure effective resolution of customer complaints, resulting in improved customer service levels.



Additionally, on the back end, the Group has invested in a robust complaints management system that ensures all complaints are handled efficiently.

Each complaint has a defined turnaround time for resolution, which is automatically communicated to the customer when the complaint is reported. In line with local regulations, like the Kenya Banking Sector Charter 2019, the Group subsidiaries have a dedicated team to monitor, update, follow up and resolve all customer complaints. The resolution of complaints for the subsidiaries stands at an average of 95%.

The Group continues to observe improvements in resolution performance, putting it on track to be the best in class when it comes to turnaround times and great customer experiences.

Green Product Propositions

In June 2023, I&M Bank Kenya and Odyssey signed a cooperation agreement to accelerate the adoption of distributed renewable energy projects in the East African region. Odyssey provides access to one of the world's largest networks of renewable energy companies and will enable I&M to deploy its capital efficiently across renewable energy projects. Under this agreement, Odyssey will assist I&M Bank with the origination, due diligence and monitoring. This partnership aims to strengthen the Bank's commitment to high-quality distributed renewable energy projects, promoting sustainable development and advancing the clean energy transition.



- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
 Plan
- Group Sustainability
 Governance Framework
- GRI Checklist

Sustainable Finance

Environmental and social (E&S) risks encompass both human-induced and natural environmental elements that can result from business activities. These risks can manifest as environmental issues such as deteriorating water quality, the accumulation of solid waste, climate change implications and biodiversity loss. Additionally, they can lead to social concerns such as substandard working conditions, violations of fundamental rights and non-compliance with established labour laws. It is important to acknowledge that E&S risks can emerge directly or indirectly from the Group's business operations, investments and supply chain and these can in turn adversely impact communities and therefore result in operational, reputational and credit risks.

As such, the Group's commitment to sustainable finance is evident through the incorporation of Environmental and Social (E&S) risk screening in its comprehensive credit appraisal process. This approach ensures that E&S risks are systematically evaluated alongside other risks prior to the approval and disbursement of credit facilities.

It is reassuring to note that this has contributed to an enhanced E&S performance in the Group's operations, with full compliance with regulations and fortifying the relationship with customers. In addition, customers are actively assisted in addressing non-conformities. This has promoted the adoption of industry best practices and created awareness of E&S standards amongst the Group's customers.

The Group consistently conducts comprehensive Environmental and Social Management System (ESMS) training and capacity building across various functions and departments. These trainings target key stakeholders involved in the credit appraisal process – encompassing Relationship Managers, Branch Managers, Credit & Legal Analysts, as well as the Risk and Compliance Departments. The objective is to disseminate the Group's minimum E&S Performance standards and enhance capacities across subsidiaries to enhance the assessment of E&S risks. During the FY 2023, a total of 141 staff members underwent sustainable finance-related trainings.

Subsidiary	No. of staff Trained
Kenya	85
Rwanda	28
Uganda	15
Tanzania	13
Total	141

2023 E&S Highlights

In 2023, the Group rolled out its subsidiary E&S monitoring for lending portfolios in Uganda and Rwanda, with Tanzania to follow in 2024. In Kenya, E&S monitoring has been in place since 2021. The risks were classified as follows:

2023 Portfolio Exposure by E&S categories



A noticeable surge in the 'A' (High risk) category of the gross loan portfolio was observed in Kenya, reaching 11.83%, which is equivalent to approximately KES 27.6 billion. This increase contrasts with the 5% reported in the previous year when Kenya's E&S portfolio risks were assessed. The uptick in the high-risk category can be attributed to the ongoing scrutiny and evaluation of accounts facilitated by the integration of the internal risk categorization tool, referred to as the EaSi tool. EaSi automates the assignment of risk categories, which provides valuable assistance to credit analysts and business teams involved in risk categorization.

The Group has incorporated effective climate-related risk management in its environment and social risk management system (ESMS). This involves assessing credit applications by analysing historical climate data alongside emerging regulations, market dynamics and technological advancements. The Group believes that this approach will enable it to profile risks more efficiently and mitigate the risks arising from exposure of the Group's portfolio to Category A loans.

\bigcirc	Abbreviations
\bigcirc	Definitions
\bigcirc	About This Report
\bigcirc	Message from Gro Executive Director
\bigcirc	Our Sustainability Highlights 2023

)

\bigcup	Our Approach to
	Sustainability

Our Sustainability Action
Plan

\bigcirc	Group Sustainability
	Governance Framewor

Climate-related risk assessment outcomes

A complete mapping of climate risk taxonomy, specifically physical and transition risks, has been done to gauge the vulnerability of the Group's portfolio and operations, as shown below.

Taxonomy	Risk Type	Climate-Related Risk	Probable Impacts to the Bank
	Acute	 Increasingly severe weather events include coastal flood, river flood, heat stress, cold stress, wildfire and chronic risks of water stress, drought and erosion. 	 Reduction or disruption in production capacity (e.g., shutdowns, difficulties and supply-chain interruptions) Impact on workforce management and planning (e.g., health, safety and absenteeism)
Physical	Chronic	 Changes in precipitation patterns and extreme weather Variability in weather patterns Rising mean temperatures Rising sea levels Erosion Water stress Drought 	 Write-offs and early retirement of existing assets (e.g., damage to property and assets in high-risk locations) Increased operating costs (e.g., inadequate water supply for hydroelectric plants or for cooling nuclear and fossil-fuel plants) Increased capital costs (e.g., damage to facilities) Reduced revenues from lower sales/output Increased insurance premiums and potential for reduced availability of insurance on assets in high-risk locations
	Technology	 Substitution of existing products and services with lower-emission options Unsuccessful investment in new technologies Upfront costs to transition to lower emission technology 	 Write-offs and early retirement of existing assets Reduced demand for products and services Upfront research and development expenditures in new and alternative technologies Upfront capital investments in technology development Upfront costs to adopt/deploy new practices and processes
	Market	 Changing customer behavior Uncertainty in market signals Increased cost of raw materials 	 Reduced demand for goods and services due to shift in consumer preferences Increased production costs due to changing input prices (e.g., energy and water) and output requirements (e.g., waste treatment) Abrupt and unexpected shifts in energy costs Changing revenue mix and sources Repricing of assets and speed of repricing (e.g., fossil-fuel reserves, land valuations and securities valuations)
	Reputation	 Shifting consumer preferences Stigmatization of sector Increased stakeholder concern & negative stakeholder feedback 	 Reduced demand for high-emitting goods/services Reduction or disruption in production capacity (e.g., shutdowns, delayed planning approvals and interruptions to supply chain) Impacts on workforce management and planning (e.g., employee attraction and retention) Reduction in capital availability

GRI Checklist

Abbreviations

Definitions

About This Report

Message from Group Executive Director

Our Sustainability Highlights 2023

About I&M Group

Our Approach to Sustainability

Our Sustainability Action

Group Sustainability
Governance Framework

GRI Checklist

In 2022, a portfolio analysis was carried out to gain an initial understanding of the portfolio's susceptibility to climate-related physical risks, using the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) Scenarios to assess exposure during different timeframes:

Current Period 1990 - 2010



Short Term 2011 - 2040



Medium Term 2041 - 2070



Long Term 2071 - 2100

The review of the then KES 198 billion portfolio indicated that there is a likelihood of a 23% increase in the portfolio's exposure to physical risks in the medium and long term.

As a result, in **2023**, the insights from this analysis were used to create a client-specific climate risk assessment process, which considered factors such as adaptive capacities, portfolio diversification, early warning systems and the evolution of risks, amongst others.

Furthermore, the Group identified, at the subsidiary level, eight climate-sensitive sectors to optimize risk monitoring, mitigation and performance detailed below:

Sector Exposure Dec 2023	Kenya	Rwanda	Tanzania	Uganda	Bank One (JV)
Agriculture	6%	9%	6%	4%	-
Building and Construction	5%	8%	5%	14%	30%
Energy and water	1%	8%	-	-	1%
Manufacturing	30%	16%	26%	13%	-
Mining and quarry	1%	-	2%	1%	-
Real estate	11%	3%	16%	3%	2%
Transport and communication	10%	9%	6%	2%	3%
Tourism, restaurant and hotel	4%	1%	2%	7%	4%
Total	68%	54%	63%	44%	40%

The first pillar of the Group's sustainability action plan enables it to enhance sustainable and inclusive economic growth through expanding access to financial services. Furthermore, it fosters sustainable industrialization and innovation through the green financing proposition. These are all in line with the key SDG's the Group has prioritized as it integrates sustainability into its services and products.



- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability
 Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
 Plan
- Group Sustainability
 Governance Framework
- GRI Checklist



The Group is firmly committed to promoting sustainable business growth by integrating sustainability principles in its business model and daily operations. The Group's sustainability strategy is centred on achieving positive environmental, social, financial and economic outcomes in each of the markets where it operates. This aligns with its Brand Promise, "We are on your side" which moves beyond mere financial solutions and integrates sustainable business growth with all its stakeholders.

Resource Efficiency

In 2023, the Group started to measure and track its use of environmental resources to drive accountability and efficiency. This initiative is aimed at improving the Group's energy and water use while reducing emission of greenhouse gases. The figures reported in this section form the inaugural baselines against which all future measures will be benchmarked.

Green Buildings

To promote green initiatives and practices, the Group's head office at 1 Park Avenue in First Parklands is designed with a strong emphasis on environmental considerations. Notably, both 1 Park Avenue and I&M Rwanda's head office located at KN 03 Avenue/9 Nyarugenge have rooftop solar installations that avoided 97.8 metric tonnes of CO_2 emissions by generating a total of 215.7mwh of solar energy in 2023. The building has been designed with an exterior brick aesthetic which provides natural cooling, hence reducing cooling costs. At 1 Park, the roof allows natural light to permeate its interior, effectively filtering out 99% of harmful UV rays and 95% of IR radiation. This feature not only insulates the building but also provides thermal and acoustic benefits that reduce energy consumption.



Additionally, 3 of I&M Bank Kenya's new branches (Saifee Branch, Tatu City and Kilifi) are constructed from recycled containers and operate entirely on solar power. This exemplifies the Group's dedication to sustainable business practices through its modelled design of using refurbished materials and its complete reliance on solar energy.



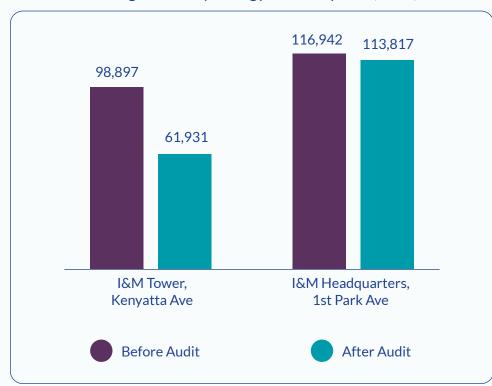


- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability
 Governance Framework
- GRI Checklist

Energy Consumption

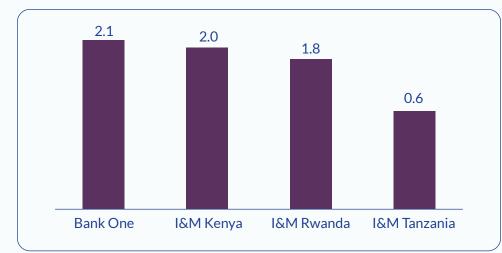
As part of its commitment to ensure energy efficiency, in 2022, I&M Realty, a subsidiary of the Group, initiated an energy audit of I&M Towers located on Kenyatta Avenue and its headquarters at 1 Park Avenue on First Parklands Avenue in Nairobi. The energy audits were aimed at a comprehensive review of the buildings' energy use and its sustainable systems and processes. Following the audits, there were strategies implemented to reduce inefficiencies and the buildings' operational carbon footprint. As a result, in 2023, the Group decreased the monthly energy consumption at I&M Towers and First Parklands Avenue by 37.8% and 2.7%, respectively. The reduction is attributed to adoption of LED light technology and responsible resource use from successful awareness campaigns. The table below highlights the average monthly energy consumption at the I&M Tower and First Parklands' Avenue, respectively.





In 2023, the Group's energy consumption stood at 5,015MwH (1.8MwH per employee). With this established energy consumption baseline, the Group is committed to a 5% year-on-year reduction while ensuring that 75% of the energy use comes from renewable energy sources. The year-on-year reduction target will be an all-inclusive initiative that will drive the adoption of the current smart LED light technology and employee awareness campaigns.

Subsidiary Energy Consumption Per Employee (MwH)



*I&M Uganda which was acquired in 2021 is still undergoing integration into the Group. The data on sustainability initiatives will be available in the subsequent reports.

The Group intends to continue reviewing energy consumption and use across all areas of its operations with a committed effort to reduce consumption over the medium term.

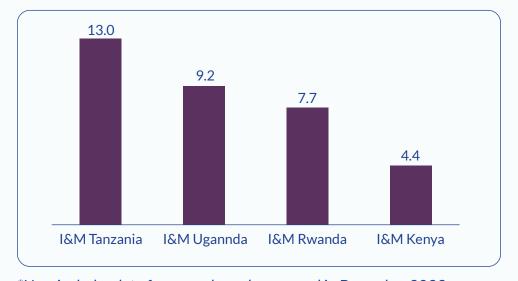
Paper Use

The Group has adopted various measures to decrease paper waste and minimize its carbon footprint. These measures cover practices such as double-sided printing, promoting electronic document sharing and relying on online working platforms to facilitate real-

time information sharing. This aligns closely with the Group's focus on digital growth.

In 2023, the Group measured its baseline paper use at 15,188 reams of paper per annum (5.4 reams per employee).

Subsidiary Paper Use Per Employee (Reams) 2023



*Now includes data from new branches opened in December 2023

Going forward, plans have been put into place to conduct Group-wide sustainability awareness programs that emphasize the importance of reducing reliance on paper.

Water Use Management

The Group acknowledges the potential impact of its operations on local water resources and is committed to reducing this impact. To achieve this, the Group has put in place several measures such as active monitoring of the water consumption, upgradation of the equipment to reduce wastage and drive to enhance water conservation efforts across its physical network.

For FY 2023, the Group consumed 203,748 cubic meters of water (72 cubic meters per employee). I&M has committed to a 5% year-on-year reduction of its water consumption through adoption of water efficiency and responsible use behaviour. To improve water efficiency, the I&M One Park building has implemented water-sensor technologies. These technologies include and are complemented by low-flow fixtures, aerators and touch-free faucets that help to reduce consumption and conserve water.

In addition, I&M Rwanda and I&M Kenya have installed rainwater harvesting tanks. I&M Rwanda has also installed an in-house water treatment plant. The Group intends to implement such technologies in all premises where possible or find other ways to conserve water resources.

Subsidiary Water Consumption Per Employee (M3) 2023



*I&M Uganda data will be available in the next sustainability report
*I&M Rwanda estimated based on the bank's occupancy at the property

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Message from Grou
Executive Director

- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability
 Governance Framework
- GRI Checklist

Waste Management Program

Waste management is an integral component of the Group's sustainability initiative. It includes a comprehensive approach to disentangle the Group's growth ambitions from the growth in global waste. Several strategies are being implemented to minimize waste while also assisting in addressing the larger concerns of society.

Partnering for sustainable production & consumption

In March 2023, I&M Bank in Kenya partnered with the WEEE Centre, a certified E-Waste Management company, to serve as an authorized collection point. This partnership empowers customers, the community and staff to dispose of their electronic waste responsibly, aligning with national and international guidelines.

In 2023, I&M Kenya continued to implement a series of schemes dedicated to the management of specific waste components that resulted in savings of 9,000kgs in GHG emissions. These strategies are highlighted below:

I&M Kenya						
Waste Component	Management strategy	Amount (Kgs)	Cumulative %	GHG emission saved by recycling (Kgs)	No Landfill GHG Emissions saved	Total GHG Emission saved (Kgs)
E-waste	Refurbishment, recycling & disposal by accredited E-waste management company	3,472	33%			5,000
Cartons & Paper	Tissue papers, new envelopes, chipboards	3226	31%	2368	584	2952
Glasses	New glasses	104	-	15	2	17
Metals	New metals, vehicle parts	69	1%	225	2	227
Plastics	New containers, fencing poles, Plastic Road polls for traffic signs, fuel, wall panels, floor decs, wall panels, LDPE	642	6%	277	11	288
Textile	Furniture, New shoes	30	-	49	1	50
Organic	Compost & pig food	2262	22%	234	231	465
Residual	Not decomposable & non-recyclable	708	7%	0	0	0
Total		10,513	100%	3168	831	8,999

To further reduce waste, the Group is in the process of transitioning to fully utilizing recycled materials for its debit and credit cards. Currently, cards issued to customers are made from at least 85% recycled plastic materials. This has prevented 1.15 metric tonnes of CO2, which would have originated from the continued use of virgin polyvinyl chloride (PVC) cards. Furthermore, the Group has committed to transitioning 10 out of 14 card products to 100% recycled material by the end of 2024.

Carbon emission reduction commitments

As part of the Group's commitment to the Paris climate agreement, there is continuous monitoring of its scope 1 and 2 carbon emissions. Based on the resource use baseline conducted in 2023, these have been mapped as below and the Group has set a 30% carbon emission reduction target from its operations by 2030.

Scope One Emission (KgCO ₂ e)	Scope 2 emission (KgCO ₂ e)	Total Scope 1 & 2 emissions (KgCO ₂ e)
278	2,508	2,786



- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability
 Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability
 Governance Framework
- GRI Checklist

People and Culture

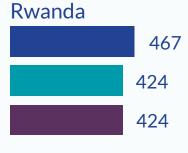
The Group recognizes the close relationship that exists between the general well-being of its employees and its reputation for consistent performance. This relationship is linked to the capacity to draw in and retain exceptional people, cultivate a motivated workforce and sustain an inclusive, respectful and ever-learning culture. The Group's employee value statement functions as a compass, creating and carrying out programs meant to improve employee well-being and a sense of community.

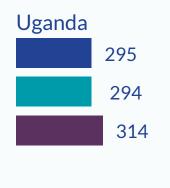
During the reporting period, the workforce increased by 12% to reach 2,827. This increase is consistent with the Group's investment and expansion plan, which calls for the acquisition of new competencies and skills. The Group believes that having a digitally proficient workforce is a key enabler to improving its product and service offerings. Notably, in 2023, the Group undertook a job evaluation process that informed the creation of an internally equitable and externally competitive job grading structure.

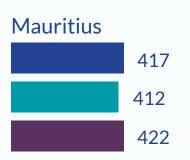
Total Number of Employees 2023
2,827
12% growth from 2022

Kenya 1,459 1,159

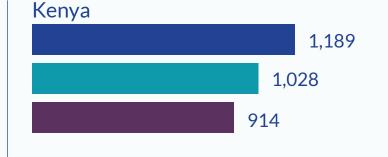


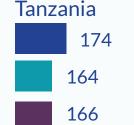


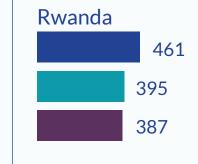


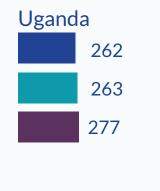


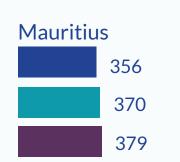
Permanent Employees











Contracted Employees









- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability
 Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
 Plan
- Group Sustainability
 Governance Framework
- GRI Checklist

Employee Well-Being & Work-life Balance

The Group believes in creating a sustainable work environment that prioritizes employees' well-being and work-life balance. This approach positively impacts job satisfaction, productivity and interactions with customers, colleagues and clients. Therefore, the Group is dedicated to continually nurturing an environment that supports the employees' personal and professional wellness through open communication, flexibility, support systems, wellness programs and engagement initiatives. These deliberate efforts aim to cultivate a responsive culture that values courage and encourages respectful and empathetic conversations toward a sustainable future.

As part of the Group's commitment to the well-being of its employees, the following initiatives have been implemented over the last few years:

complimentary medical examinations.

Work from Home Policy (WFHP)	This initiative is designed to provide flexibility and enhance the balance between the staff's professional and personal responsibilities while maintaining a strong commitment to delivering accountable and high-quality service to customers. This has led to a potential reduction in stress related to commuting, improved family relationships and self-care, all of which the Group anticipates, will lead to increased overall productivity and job satisfaction among its employees. This role-specific and day-specific Work from Home Policy
	(WFHP) aligns with I&M Foundation's focus on environmental stewardship. It promises a positive environmental impact by reducing the carbon footprint associated with employee commuting and contributes to the collective efforts to mitigate climate change.

In addition to statutory benefits, the Group provides a comprehensive selection of appealing benefits designed to retain, motivate and ensure employee satisfaction. The Group's benefit packages align with market trends, cultural considerations and principles of fairness and equality. During the period several employee benefits were offered. Specifically, the Group reviewed and lowered staff loan interest rates from 9% to 6% to increase accessibility. Staff have also undergone financial literacy trainings and are encouraged to take advantage of various financial investment products and services that the Group offers to assist in financial independence and savings

There is increased susceptibility to potential adverse health effects associated with a sedentary work lifestyle, as well as limited access to safe, convenient and reasonably priced fitness and recreational facilities. The Group prioritizes the physical well-being of its employees by advocating for routines that involve regular exercise, improved nutrition and healthier lifestyle choices. In 2023, I&M Kenya Bank continued its arranged discounted gym memberships with specific service providers throughout its network in Kenya. Additionally, the Group has remained committed to its annual health promotion program, which encompasses voluntary and convenient onsite health screenings, informative health talks and

Mental wellness plays an equally important role in ensuring a balanced life for employees. Recognising, the Group is keen on ensuring there are ongoing mental awareness seminars for staff, with the first in Kenya held in 2024.

The Group has adopted a precautionary approach principle to ensure the provision of a healthy and safe work environment for all stakeholders. The Group's health and safety policy is also guided by legal and policy requirements and international industry best practices in the regions where it operates

Physical & Medical & Mental Wellness

Occupational Health & Safety

Employee Benefits

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
 Plan
- Group Sustainability
 Governance Framework
- GRI Checklist

Employee Engagement

An employee engagement survey is conducted annually with a focus on safeguarding employee well-being and welfare, supporting career planning and development and creating opportunities for learning and growth. During this reporting period, the Group achieved an average score of **78%**, higher than the **72%** recorded in **2022**.

Dogion		Employee Engagement Score (%	5)
Region	2021	2022	2023
Kenya	75	74	76
Uganda	67	70	79
Tanzania	76	68	76
Rwanda	77	78	80
Mauritius	71	70	70

Creating a high-performance culture

The successful execution of the Group's iMara strategy is driven by the Pamoja Culture Transformation (PCT) launched in October 2021. The program is expected to strengthen the Group's employee value proposition and brand. Positive progressions have been noted through the definition of the Group's common behaviours dubbed "the I&M Way," which are strategically positioned to deliver on the Group's brand promise, "We are on your side."



The PCT entailed cascading of the various initiatives under this program to the various business lines through a series of engagement sessions carried out by a network of 128 Change Makers. The Group invested in certified training course that built Changemakers to positively influence the culture change. Over 2000 staff members successfully undertook the PCT course to ensure alignment and understanding of the desired behaviors and values.

In the last quarter of 2023, the Group defined and iterated its iMara 3.0 strategy, intended to action assessments of the cultural behaviors and values against specific performance metrics.

Talent Development, Management & Retention

The Group has invested in role-specific upskilling and development programs to create and retain a highly trained workforce. These initiatives have been designed to prepare staff to be better equipped to handle not only current but also future challenges to ensure the Group's sustainable growth and long-term success. The Group provides sponsored certification courses and a specialized e-learning platform to serve the learning needs of its personnel.

Employees are empowered to take charge of their learning and development goals through the Group's self-paced e-learning platform that provides a broad selection of courses with an emphasis on developing skills, business ethics and solutions designed to satisfy the demands of the rapidly changing and digital banking industry. Furthermore, the Group recognizes employees who show a remarkable dedication to skill development and take charge of their growth and learning. As a result, in 2023, employees, in aggregate, attended over 200 inperson trainings classroom attendances and 12,000 technical and non-technical e-courses.

Furthermore, a significant number of the front-line staff, c. 200 participated in E&S and sustainable finance training sessions. In 2024, the organization plans to expand classroom-based sustainable finance training for all employees covering the first and second-line of defence. The Group has also successfully integrated sustainability-related courses into its e-learning platform to support upskilling of its employees in this emerging area.

In 2022, the Group undertook a 12-month High-Potential (Hi-Po) talent development and management program designed to equip the staff members categorized as Hi-Po with the requisite skills to support a seamless succession process and readiness to take on various leadership positions within the Group. The Hi-Po program is one of the Group's strategic initiatives to ensure career progression and preservation of organizational knowledge and culture through cross-departmental training, mentorship and knowledge transfer.

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability
 Governance Framework
- GRI Checklist

Diversity & Inclusion

The Group is committed to promoting equality and fairness and embraces the values of honesty and courage with the aim to create a workplace that is both diverse and inclusive. There is a concerted effort to ensure employees not only feel valued but also are assured that a wide range of perspectives are respected. The Group has deliberately positioned itself in a way that empowers the staff to reach their full potential by encouraging them to voice their thoughts and take the lead in their professional and personal endeavours within their roles.

Equally, I&M is committed to nurturing a collaborative and diverse workforce that encompasses individuals of various cultural, religious, ethnicity, age and gender backgrounds to better assist in addressing the evolving needs of the consumers. Diversity and inclusion play a crucial role in supporting the digital growth strategy, increasing operational efficiency and enhancing the Group's resilience.

The Group's corporate governance framework emphasizes the importance of creating a responsible, accountable, fair and equitable workplace built on the principles of open communication and regular feedback. There is a strict zero-tolerance policy for any form of discrimination, victimization, sexual harassment, or bullying.

In 2023, the Group joined the UN Global Compact as a member and committed to adhering to and reporting its performance on the Ten Principles. As a part of its corporate responsibility, the Group affirms its obligation to Sustainable Development Goal (SDG) 5 on Gender Equality. This SDG aims to ensure women's full and effective participation and equal opportunities for leadership in all levels of decision-making in political, economic and public life. This commitment is demonstrated by incorporating diversity and inclusion into the recruitment, onboarding and talent development programs.

UNGC – 10 Principles and I&M Group's Position

Principle	Description	I&M Group's Position		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	The Group has in place a Code of Conduct encompassing, inter alia, matters touching upon safety and health, environment, compliance with laws and regulations, confidentiality of customer information, financial integrity and relationships with external parties.		
Principle 2	Make sure that they are not complicit in human rights abuses	The policy establishes guidelines and the Group's expectations with regards to business conduct. All parties are expected to uphold the same levels of integrity and business conduct both from their personal and to anyone outside their organization that is engaged in the provision of services for or on behalf of the Group and its subsidiaries.		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	N/A		
Principle 4	The elimination of all forms of forced and compulsory labour	N/A		
Principle 5	The effective abolition of child labour	N/A		
Principle 6	The elimination of discrimination in respect of employment and occupation	I&M's HR policies ensure there is no discrimination in respect of employment and occupation. All opportunities are assessed on meritocracy.		

Abbreviations

Definitions

About This Report

Message from Group Executive Director

Our Sustainability Highlights 2023

About I&M Group

Our Approach to Sustainability

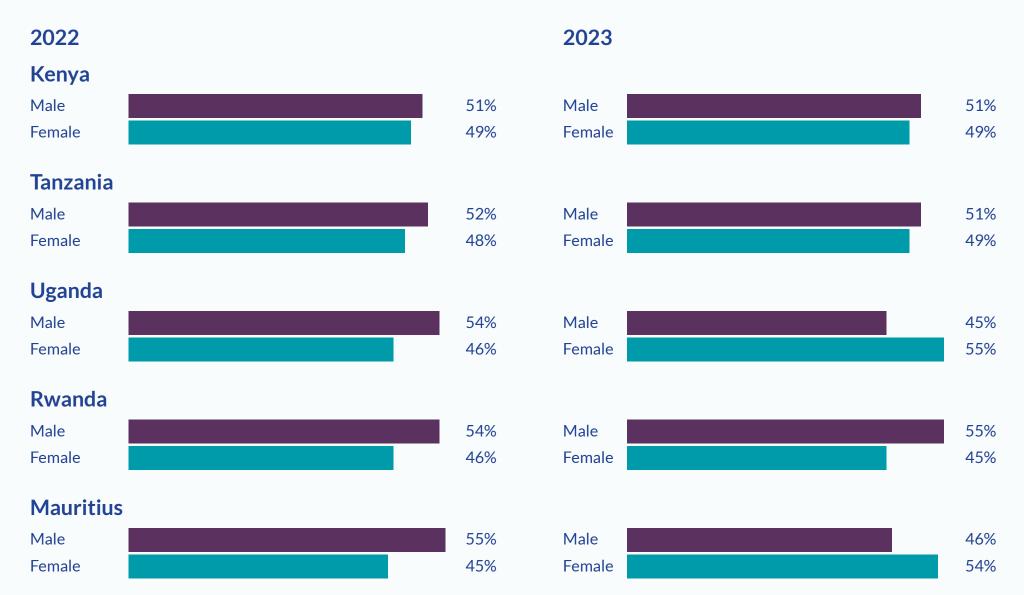
Our Sustainability Action

Group Sustainability
Governance Framework

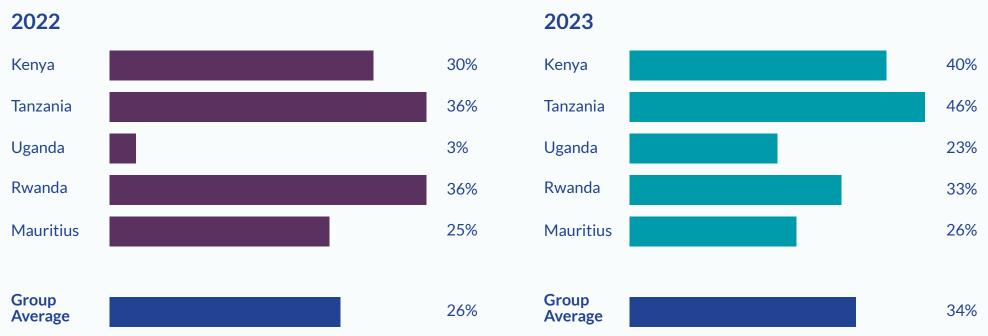
○ GRI Checklist

Principle	Description	I&M's Position
Principle 7	Businesses should support precautionary approach to environmental challenges	I&M is working closely with its stakeholders towards mitigation of environmental challenges and have a credit management flow to address E&S risks in the client portfolio [See page 42]. Environmental, Social and Governance (ESG) principles have become a cornerstone of the Group business strategy, emphasizing sustainable and ethical practices. The Group has in place an ESG Policy and Governance framework.
Principle 8	Undertake initiatives to promote greater environmental responsibility	The Group through I&M Foundation and its subsidiary's CSR activities has been taking active environmental responsibility through tree growing activities, creating environmental sustainability awareness and preserving/rehabilitating our natural resources [see Pillar 3 from page 21]. As part of the larger sustainability action plan the Group has a focus on business sustainability. I&M has started to measure and track its use of environmental resources to drive accountability and efficiency aimed at improving the Group's energy and water use while reducing emission of greenhouse gases.
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	As per above. The Group, through its sustainability action plan is committed to providing green products proposition with the initial focus on sustainable development and advancing the clean energy transition.
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	I&M has an anti-bribery and corruption policy in place and has zero tolerance to corruption. Further there is an independent whistleblowing policy instituted for stakeholders to report concerns [See page 44].









Abbreviations

Definitions

About This Report

Message from Group Executive Director

Our Sustainability
Highlights 2023

About I&M Group

Our Approach to Sustainability

Our Sustainability Action
Plan

Group Sustainability
Governance Framework

GRI Checklist

Board Diversity by Age

Age Range	46-50	51-55	56-60	61-65	66-70	>70
No. of Directors	1	3	1	1	1	2

Board Diversity by Gender

Gend	der	2021 Proportion (%)	2022 Proportion (%)	2023 Proportion (%)
ď	Male	78%	78%	67%
Q	Female	22%	22%	33%

Board Composition by Skills & Experience



The Group's second pillar enables it to strive for the sustainable management of natural resources and the reduction of waste generation. Furthermore, the policies on diversity and culture create an environment of productive employment and decent work for the Group's workforce. This aligns the Group's internal policies with the SDGs it has committed to.



- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability
 Governance Framework
- GRI Checklist





Under this pillar, the Group's aims to enhance the quality of life for the communities it works around. The initiatives under this pillar are executed by I&M Foundation, the social arm of the organisation. The Foundation's approach is to work through implementing partners to deliver its objectives by leveraging and complementing its resources in a catalytic and value-additive manner in the key thematic areas of:









Currently the Foundation is funded through I&M Bank in Kenya, which contributes on an annual basis 2% of its Profit before Tax. As of 2023, the cumulative amount of funding provided to the Foundation (since its formation in 2019) is KES 1.07 Billion, as shown in the table below. For FY 2023, the Bank contributed an amount of KES 245.2 Million

Committment	2019	2020	2021	2022	2023
Financial commitment to I&M Foundation (KES)	174,506,520	240,246,840	205,780,603	211,748,934	245,201,666

Since 2019, the Foundation has extended funding to various beneficiaries, with a cumulative disbursement of KES 196 Million. In 2023, it provided funding to program beneficiaries of KES 76 Million, a 55.8% increase from the support extended in 2022.

The work of the Foundation has been spread across its 4 pillars as discussed in the following pages.

- Abbreviations
- Definitions
- About This Report
- Message from Group **Executive Director**
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability Governance Framework
- GRI Checklist



Pillar 1: **Environmental Conservation**

Where we preserve, protect and restore the environment and promote sustainable use of ecosystems







Our Impact

Our 3-Year Impact in summary:

- > 430,000 trees since 2020 with an average 78% survival rate
- Tree nurseries set up with >100,000 seedlings in three counties (Narok, Kilifi, Malindi)
- Positive impact on communities towards transitioning them to clean energy
- Positive impact on wildlife through extending our support to KWS

Contribution	2021	2022	2023
Number of trees planted in all locations	173,635	73,585	185,880
Survival rate of trees planted - %	87%	83%	67%

Our Partners











Achievements with KCDF

The Foundation has been working with KCDF since 2020 and is focused mainly in Narok and Kilifithrough local partners.







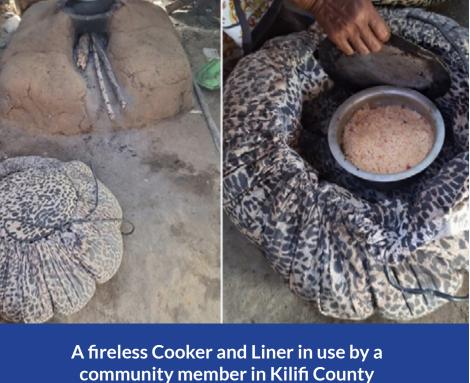


In the three years to the end of 2023, the impact created through our partnerships with KCDF to create awareness and improve environmental conservation included:



I&M Bank team that planted trees in Kereita Forest Reserve during the National Tree Growing Day celebrated in November 2023







>9,000 Households reached



> 150 learning institutions



> 60,000 youth & children



30 water harvesting structures installed



775 acres of land afforested & 333 acres reforested



> 600 energy saving



lanterns & cookstoves provided



300+ increase in student enrolment as a result of energy saving cookstoves due to food being provided



average reduction in the use of firewood by 57% by women



- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability
 Governance Framework
- GRI Checklist



Miti Alliance

In 2023, the Foundation partnered with Miti Alliance to create arboretum spaces in ten public primary schools in Kiambu County. They engaged 4000 young learners in awareness programs and set the goal of growing 1000 trees (500 – fruit seedlings and 500 indigenous trees) over 2 years.

The project seeks to Educate, Empower, Nurture and Sustain young people towards environmental practices.

Key Achievements in 2023

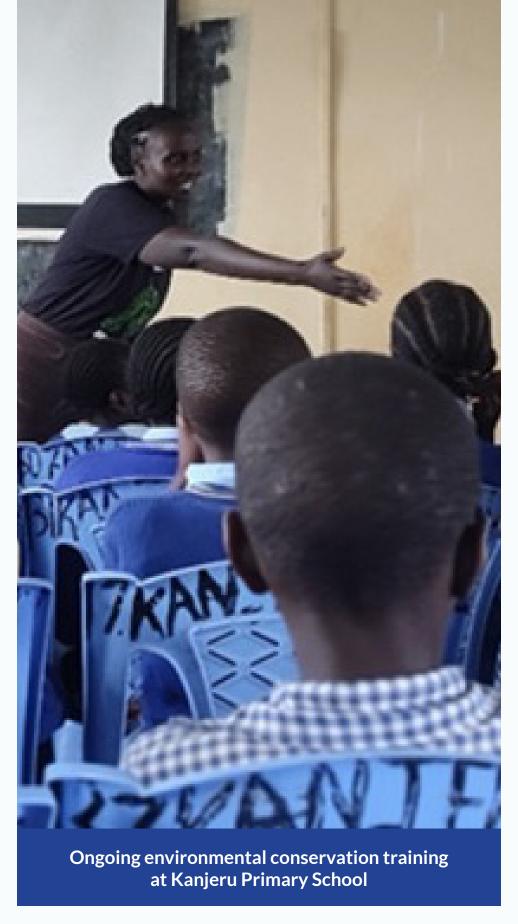






Further, I&M has been working with Miti Alliance to create an "adopt a school regreening program" in which I&M staff would also be able to participate in nurturing students into environmental stewards. By actively participating in growing "pet trees" in collaboration with the students and teachers, the staff also have the opportunity to engage in life skill mentoring programs.











- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability
 Governance Framework
- GRI Checklist



Kenya Wildlife Service

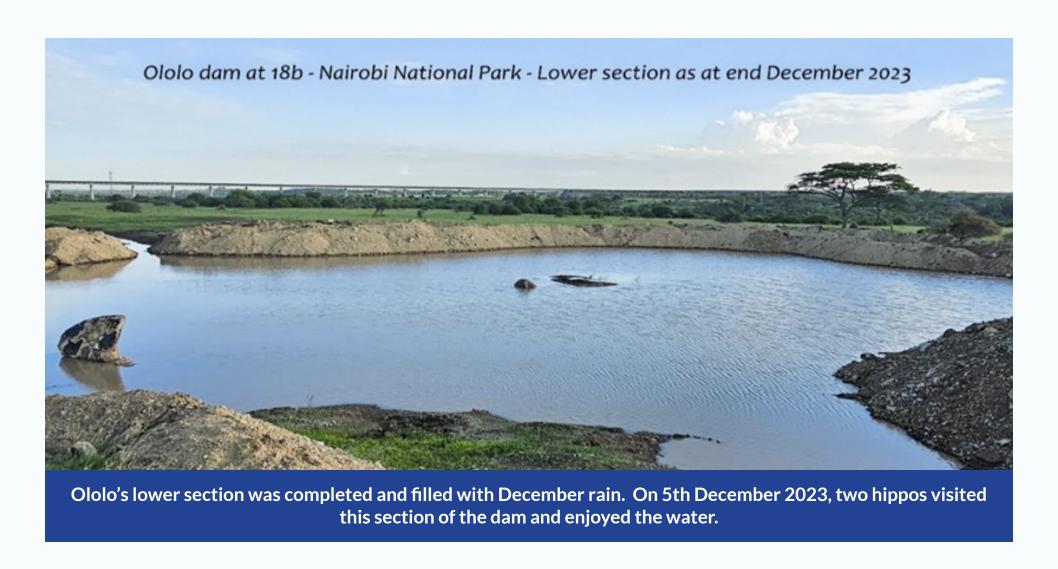
With the worst drought Kenya had faced in 40 years occurring in 2023, animals were not spared from the impact of dried watering points, often succumbing to the unseen disastrous effects. One of these watering points was Ololo Dam at the Nairobi National Park (NNP), where the water levels fell to their lowest point. Most animals resorted to finding water in and around human residences, increasingly coming into conflict with humans and further bringing tension to an already untenable situation.

To address this challenge I&M Bank committed to financing the restoration of the Ololo dam through I&M Foundation, with an emphasis on the preservation of local ecosystems. The project, valued at KES 1.15 Million, commenced on September 12, 2023 and was completed in January 2024. The capacity of the reclaimed dam is greater than 5,000 cubic meters, which park officers believe will sustain the animals year-round after long rains. Prior to the desilting of the dam, animals trekked 15km to find water. The rehabilitated dam will reduce animal congestion, avoiding degradation in one area. It is also expected that the dam will attract more wildlife, which will in turn resuscitate hospitality businesses around the area due to the expected increase in tourists.



I&M Sustainability Flagship Project

In April 2024, I&M signed a partnership with Kenya Forest Services (KFS) for the rehabilitation and fencing of the Ngong Road Forest, Sanctuary block. The project is expected to be implemented over the next three years.





Abbreviations

Definitions

About This Report

Message from Group **Executive Director**

Our Sustainability Highlights 2023

About I&M Group

Our Approach to Sustainability

Our Sustainability Action

Group Sustainability Governance Framework

GRI Checklist



Pillar 2: **Education and Skills Development**

Where we enhance education outcomes and value-addition life skills that ensure inclusive and equitable quality education



Our Impact

Impact	2021	2022	2023
Number of students' scholarships provided	125	130	243

The Foundation is collaborating with the following partners:







Palmhouse St. Ann Suresh Raja Girls' High School

Strathmore University

AMARA



MORINGA



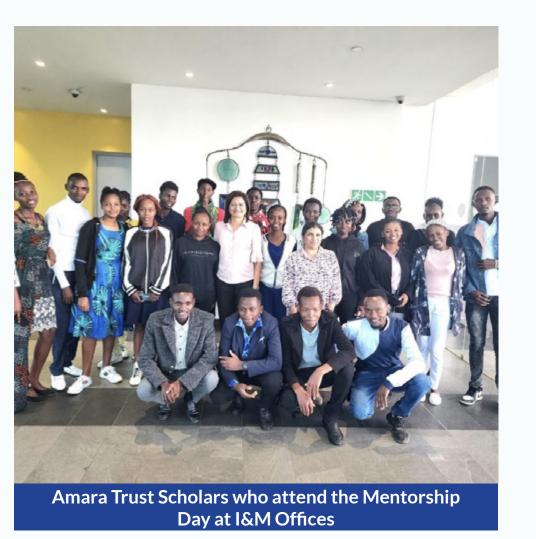
Amara Trust

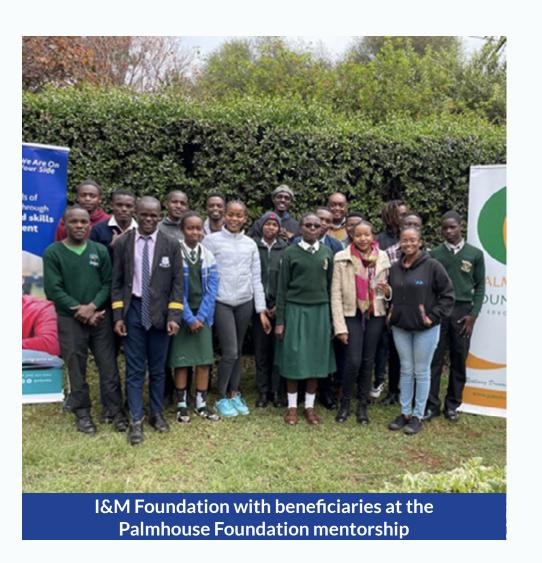
Moringa School Kenya Wildlife Trust



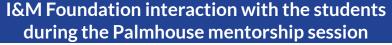


Alliance High School - Endowment Fund Trust











Kenya Wildlife Trust

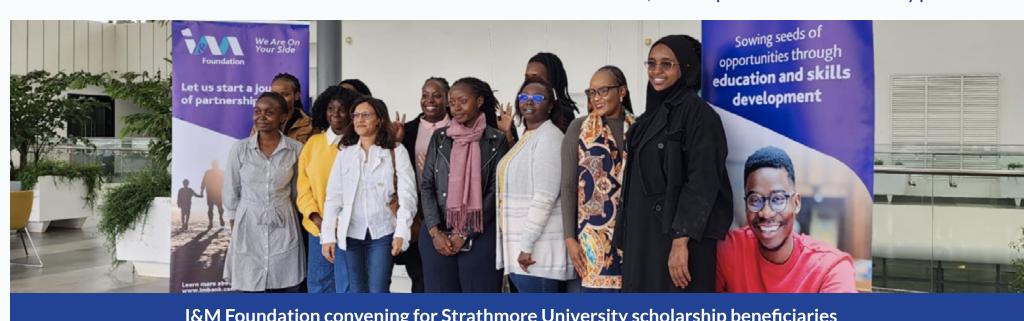
In a bid to continue supporting environmental matters, the Foundation has partnered with the KenyaWildlife Trust to offer scholarships to needy scholars transitioning to institutions of higher learning. This partnership began in 2023 and the first 15 students began their training with the Wildlife Research and Training Institute for their 2-year environmental or wildlife management-related diplomas.

Moringa School

In May 2023, I&M Foundation signed a partnership with Moringa School to sponsor scholarships for scholars looking to build their careers in the technology space. As a start, the Foundation sponsored a first cohort of 25 students to complete a 6 months program at the school. The first cohort completed their course in the last quarter of the year.

Our impact in summary:

- > 600 scholarships disbursed since 2019
- Of the scholarships provided to secondary school students, 100% qualified for University placements



I&M Foundation convening for Strathmore University scholarship beneficiaries

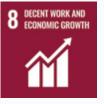
- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
 Plan
- Group Sustainability
 Governance Framework
- GRI Checklist





Where we promote sustainable economic growth and transform livelihoods





Our Impact

Impact	2021	2022	2023
Number of jobs established	52	145	231

Our Partner



The MAA Trust

At least 72% of the women have achieved some of the goals they set out to achieve at the beginning of the project, supporting necessities such as paying school fees for their children, building a house, buying livestock and starting their own business providing electricity, water tanks and household improvements.

At the onset of the program, around 94% of the women did not have a bank account and this was reduced to 77% by the end of 2023.

A testament to the project, one group of 85 women has now exited the Maa Trust and is working independently and has even secured partnerships with three 3 lodges in the Mara to sell their beadwork.

Case Study: Noorkishili's Sumare story

Noorkishili's Sumare, a 47-year-old member of the Ilbaan beading group, found her life transformed through the acquisition of technical beading skills supported by I&M funding. This enabled her to purchase a 1,000-litre water tank, a resource that dramatically improved her daily living conditions and overall productivity. Noorkishili encountered several challenges before joining the Ilbaan Beading Group, which is sadly typical for women in her village.

Her daily struggles to get clean water had an impact on her family's health as well as her capacity to work and earn a living. She spent much of her day carrying heavy jerrycans of water from far-off sources, with little time for beading or family. The Ilbaan Beading Group, part of the broader initiative by Maa Beadwork to support the economic independence of women through the sale of their traditional beadwork, offered Sumire an opportunity to change her circumstances.

Her skill and dedication to the craft quickly became apparent and she thrived within the supportive environment of the beading group. The pivotal moment occurred when I&M gave cash to encourage the mamas (women) artisans's activities after seeing their potential. For Noorkishili, this meant having the chance to buy a water tank a straightforward but incredibly useful investment. She was able to spend more time with her family and her beading since she didn't have to spend hours getting water when there was a steady supply.

"Previously, I would walk 20 or even 30 kilometers to fetch water for my family. This would significantly reduce the hours I had to work on beadwork. But today, I can happily say that this has changed and I can sustain my family better. I have clean rainwater and my time has freed up to take on more work at Maa Beadwork. I am grateful to Maa Beadwork and I&M for their support" said Noorkishili.

Today, Noorkishili stands as an inspiration for other women in her community, showing that with the right support, it is possible to overcome barriers and achieve economic independence.



579 women trained (funding support of KES 3.0 Million)



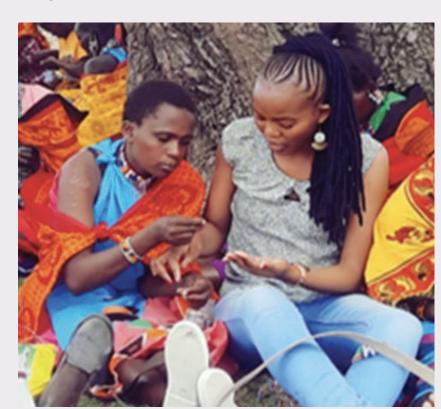
35% increase in earnings (91% of women contributing to household expenses)



9000 Households impacted

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability
 Governance Framework
- GRI Checklist

Case Study 2: Naisula's Journey of Empowerment



Naisula engaging with one of the Foundation team members

Naisula, one of the beneficiaries, proudly narrated how empowered she felt by participating in the beadwork program. The program has brought much peace to her home.

Naisula has been upskilled and earns a good income to supplement her husband's income, thus helping to lift the family out of poverty. She now has a kitchen garden where she grows a variety of vegetables.

Naisula highlighted that she has been saving via her table banking group and has a vision of starting a Maasai shukas business. Further, she has managed to send all her daughters to school and has coached her co-wives on the significance of educating their children as well.



Economic Empowerment for Women in the Maasai Mara



Jenga Bizna Mtaani Program – Distribution of smokie trolleys to empower the Cornerstone self-help group at the Humama Grounds in Kayole

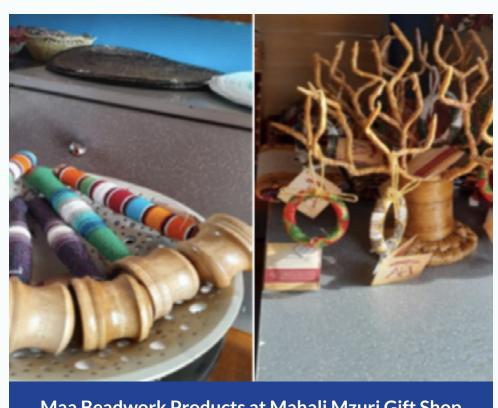
Our Partner



Jonathan Jackson Foundation (JJF)

The Foundation started a partnership with JJF in January 2023 under their "Jenga Bizna Mtaani," which is a youth empowerment program aimed at upskilling 800 youths within 40 groups in the informal settlements in Nairobi. Through collaboration, about 9 groups received training and capital goods support to start a business in 2023 and another 13 received support in 2024.

As a result, in 2023, 37 jobs were created in Nairobi, 15 businesses were launched and 188 direct beneficiaries gained from the capital goods distribution.



Maa Beadwork Products at Mahali Mzuri Gift Shop

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action Plan
- Group Sustainability Governance Framework
- GRI Checklist





Where we strengthen partnership for sustainable community development



Our local partners



Kamili Organization

The Foundation partnered with Kamili in 2023 and is currently contributing towards supporting a dedicated lead nurse who offers clinical assessment, treatment and support to more than 10,000 mentally challenged patients and caregivers across the country.





Other Initiatives

I&M Annual CSR Day

- In 2023, I&M Bank staff participated in the annual CSR day that saw staff enrich 8 children's homes and rehabilitation centers, plant trees in three locations and facilitate two free medical camps in Nairobi and the coast.
- Organized a medical camp in Nairobith at benefited 1,358 individuals, 251 of whom were children.



The free medical camp hosted at Muthurwa Primary School, Gikomba, Nairobi



Encouraging the children at Precious Kids Centre located at Wamuini Center in Kitale



Governance Framework

Sustainability Governance

Board Oversight

SUSTAINABILITY GOVERNANCE FRAMEWORK

GROUP SUSTAINABILITY GOVERNANCE FRAMEWORK

CONTENTS

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group SustainabilityGovernance Framework
- GRI Checklist

Governance Framework

I&M Group is dedicated to incorporating sustainability into the design of its products, services and future ventures as part of its strategic framework. This dedication covers both the management of internal and external stakeholders as well as the Group's operations.

In 2023 the Board directed the formulation of a framework that addresses the management of sustainability related risks and opportunities. As a result, in the last quarter of 2023, the Bank's sustainability action plan was formally integrated into iMara 3.0, the business strategy for FY 2024 to 2026.

Sustainability Governance

The Group aspires to positively impact over 50 Million lives by 2030. This will be done by focusing on the 3 key pillars set out in the Sustainability Action Plan

When fully integrated, impact measurement within the Group will consist of an analysis of the outcomes of the goals set during strategy formulation. This will involve a review of 5 dimensions of impact:



- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
- Group Sustainability
 Governance Framework
- GRI Checklist

Board Oversight

The Group's Board has delegated the oversight of the Group's Sustainability management to the Board Sustainability Committee. This committee was established in June 2024. The committee is ultimately in charge of overseeing and managing the sustainability integration process. It also generates recommendations on material issues and approves public disclosures in accordance with best practices and legal requirements. In addition, the subsidiary Board committees are responsible for monitoring sustainability implementation within the entities, advising on minimum requirements and ensuring conformity with the Group's Sustainability Policy Framework.

The detailed sustainability governance structure is articulated below;



Internal Audit provides internal assurances on the impact reported

Compliance with regional laws, regulations and standards will be included in the sustainability agenda. Furthermore, global sustainability standards and guidelines that apply to the Group's operations will also be considered and applied accordingly.

Board oversight in Environmental and Social Risk Management

Climate change can have significant impacts on the financial and non-financial aspects of the Group's operations, strategic decisions and planning. Consequently, the Group is purposefully working towards contributing to both national and international climate goals, such as the Paris Agreements and Nationally Determined Contributions (NDC) in the regions of presence.

The governance of climate-related risks and opportunities within the Group is integrated into the overall enterprise risk management framework. This approach allows the alignment of climate risk management with conventional risks and supports strategic objective setting. This enables the Group to incorporate climate risk considerations into the decision-making processes. The Board of Directors is currently overseeing the implementation of climate risk projects for 2024/2025.

To incorporate these related risks and opportunities into our business operations and proactively mitigate climate change, the Group has taken the following steps:







- 1. Assessed specific climate-related risks and their potential impact on the Group's business strategy using appropriate metrics and benchmarks aligned with both national and international targets.
- 2. Allocated adequate resources, including financial and non-financial resources, to support the management of climate risks and opportunities. This includes activities such as enhancing staff capabilities, seeking expert input and improving data systems and frameworks.
- 3. Established the Bank's risk appetite in relation to climate-related financial risks and ensured effective management and control of these risks.
- 4. Engaged with key stakeholders to gain a better understanding of their concerns and expectations and in turn, communicated how the Group is positioning itself regarding climate-related risks and opportunities.

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action
 Plan
- Group Sustainability
 Governance Framework
- GRI Checklist

The Board of Directors bears the responsibility for fulfilling the commitments and ensuring the successful implementation of the above-mentioned climate-related actions. Therefore, In 2023, the Board of Directors supervised the following climate-related initiatives:

- 1. Developed a sustainability strategy and implementation roadmap for 2024-2026
- 2. Committed to reduce the Group's operational carbon footprint by 30% by 2023.
- 3. Sanctioned a 3rd party review of the current Environmental and Social risk management practices
- 4. Conducted climate-related physical risk assessment for both the Group's portfolio and operations.

Roles of Sustainability Management:

The Group has established a strategic objective, aligning with the TCFD, with the goal of becoming a leading financial institution in the region when it comes to integrating climate-related risk management. This commitment will significantly influence the speed at which it incorporates climate considerations into its daily operations and decision-making processes. The Group aspires to take a leadership role in promoting resilience and guiding a fair transition, reaffirming its dedication to the communities and economies it serves in the East African region. The Group is also dedicated to adopting a bold approach that balances its growth ambitions with its risk tolerance. This ongoing dialogue is pivotal in shaping the climate strategy, aligning it with the Group's vision and positioning it as a pioneer in sustainable finance in Eastern Africa.

Through the corporate strategy, the strategic and financial integration of climate change concerns into the business enables the Group to make a direct contribution to the growing demand for a low-carbon and resilient economy.

Achieving green finance opportunities, managing climate risks and reducing the Group's carbon footprint are supported by capacity building and training, as well as enhanced through collaborations within our industry. As a member of the KBA's Sustainable Finance initiative working group, the Kenyan subsidiary has access to an excellent platform to ensure consistent management of climate-related risks and opportunities within the sector, leading to balanced reporting and data sharing.

Furthermore, the Group is committed to equipping its three lines of defense with practical knowledge of sustainable finance to enhance the value it offers to consumers. The Group continues to conduct analyses that identify climate-relevant opportunities consistent with national policies and regulations in the markets where it operates. This approach will significantly contribute to reducing carbon emissions while aligning with the

Group's clients' goals for a fair transition.

Sustainability is a central focus of the Group's core strategic objective and it is dedicated to implementing recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) while also remaining responsive to evolving standards and frameworks like the Taskforce for Nature Financial Disclosures (TNFD).

Credit Risk Management

As a financial institution, credit risk is a key component of the business. It is comprised of counterparty risk and concentration risk. Credit risk is impacted by both individual risk and macroeconomic shocks stemming from our different business lines. The Group remained resilient through the COVID-19 pandemic due to its diligent approach to credit risk management. This credit management process includes integrating Climate-related risks and opportunities.

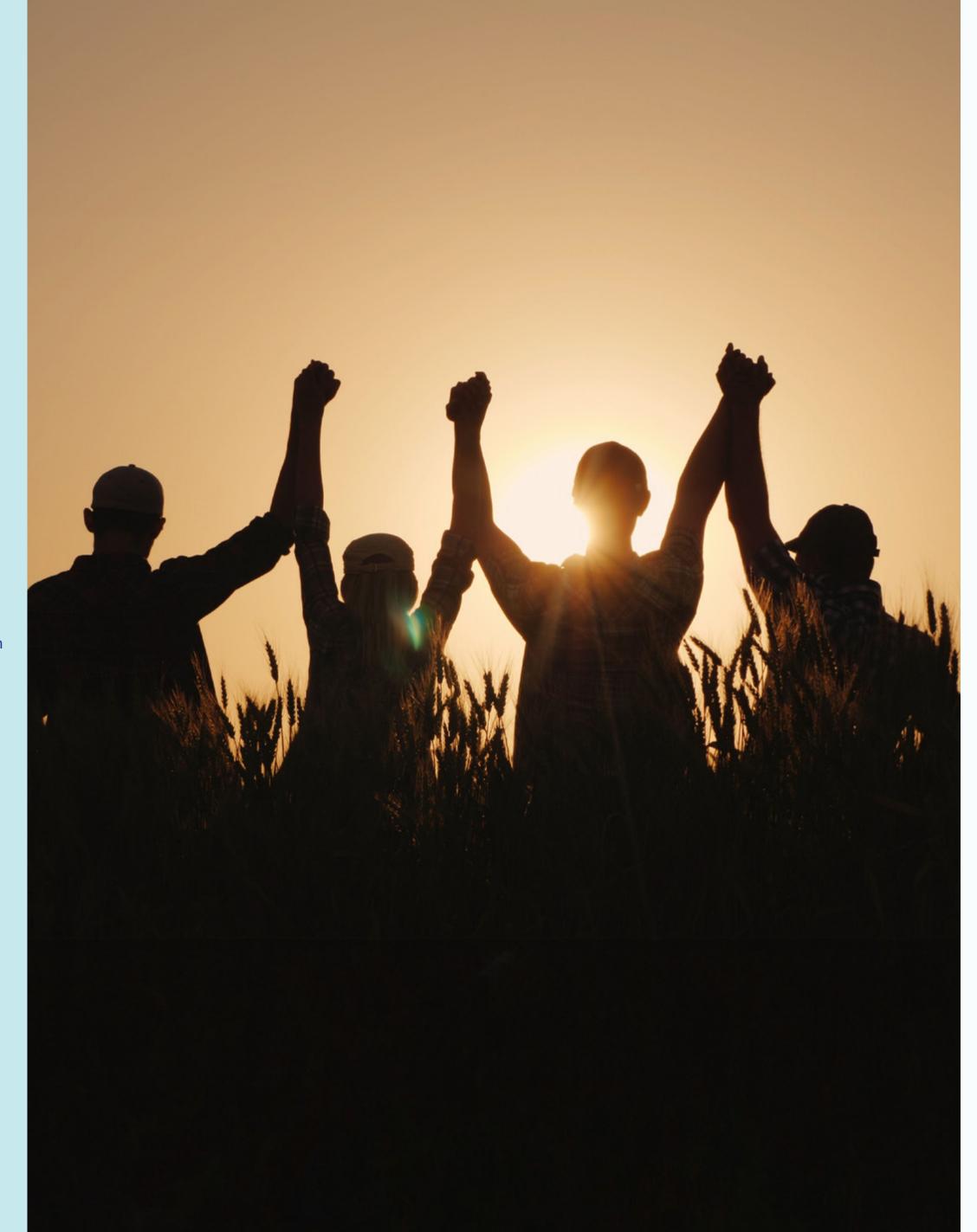
Environmental and Social Risk Management

ESG risk management is governed by a framework under Risk Management.

As part of its governance framework, the Group incorporates Non-financial and Financial Risks within its broader Enterprise Risk Management Framework. Consequently, the Board has established governance structures and processes for the identification, assessment, management, monitoring and communication of ESG and climate-related risks. This commitment is evident through the comprehensive risk appetite and policy framework, procedures and management information system. These elements pave the way for the Board, senior management and all stakeholders to create, safeguard and optimize returns, ultimately fostering long-term sustainability.

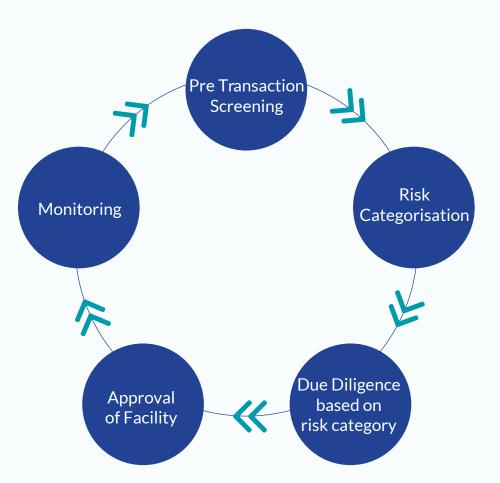
This approach to Environmental and Social Risk Management aligns with guidance from the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which provides principles for applying ERM to ESG-related risks. Additionally, the Group adheres to the CBK's Climate Risk Management Guidelines and the NSE's ESG guidelines.

- Abbreviations
- Definitions
- About This Report
- Message from Group Executive Director
- Our Sustainability Highlights 2023
- About I&M Group
- Our Approach to Sustainability
- Our Sustainability Action Plan
- Group Sustainability
 Governance Framework
- GRI Checklist



Environment & Social Risk Assessment Process Flow

The Group has also incorporated E&S risk governance into it's lending practices. The E&S Risk Assessment Process Flow is a comprehensive undertaking that involves the collaborative participation of the Group's clients and partners throughout the investment relationship. The process unfolds as follows:



The screening aims to pinpoint the inherent E&S risks associated with the client's industry or sector and assess the capacity to manage any significant issues that may arise effectively. The results of this screening process leads to an E&S risk rating, providing a precise diagnostic for the subsequent due diligence. The E&S risk rating is determined based on the Equator Principles and IFC performance standards and is categorized as follows:



Category A (High Risk):

This category pertains to lending with environmental and/or social risks deemed highly significant and irreversible.



Category B (Medium Risk):

Medium-risk lending involves risks with a moderate probability of occurrence and/or severity of impact.



Category C (Low Risk):
Lending in this category is associated with minimal or no adverse risks or impacts on society or the environment.

Abbreviations

Definitions

About This Report

Message from Group Executive Director

Our Sustainability Highlights 2023

About I&M Group

Our Approach to Sustainability

Our Sustainability Action

Group Sustainability
Governance Framework

GRI Checklist

Environment & Social Due Diligence & Monitoring

Based on the screening results, the Group utilizes its ESMS procedures to assess the appropriate level of due diligence in alignment with the E&S risk screening tool and applicable standards. All relevant stakeholders, including the Credit, Business and Risk teams, engage in the enhanced due diligence process. This process includes client interactions, site visits, the exploration of sector-specific environmental and social concerns and the potential use of independent expert assessments. The result of this process involves the development of a Corrective Action Plan (CAP) designed to facilitate ongoing environmental and social monitoring. As such in 2023, 36.23% of I&M Kenya's portfolio underwent an environment and social due diligence assessment with key action E&S areas being addressed by clients.



Sustainable Procurement Practices

The Board of the Group acknowledges the vital role of its supply chain in creating value, managing carbon emissions and addressing social risks. There is a strong commitment to fostering a cooperative and mutually beneficial partnership with suppliers and other stakeholders in the value chain, focusing on issues related to social inclusivity and climate change. To achieve this, in 2022, the Group formulated a Third-party Code of Conduct to ensure that the suppliers adhere to the ESG standards of the I&M Group and adhere to both current and emerging social and environmental regulations in our operational markets.



Upholding Human Rights and Values

As a responsible financial institution, the Group's primary obligation is to steadfastly commit to upholding and respecting the fundamental rights of all individuals connected to or impacted by the business. Notably, the pledge to honor human rights is deeply ingrained in one of the Group's core values, "Respect." There is appropriate and relevant human rights screening in the supply chain processes, ensuring compliance with the third-party code of conduct, as well as the credit appraisal procedures. Within the organization, the employees are well-informed about their entitlement to equitable, diverse and inclusive working conditions. This dedication to respecting and safeguarding human rights and values is also evident in the corporate culture and policies. Some of the key guiding policies and protocols encompass the third-party code of conduct, employee code of conduct, Environment and Social Risks Management (ESMS) policy, policy against sexual harassment and mechanisms to address grievances.



Data Privacy & Cyber security

The Board has strategically aligned the Group to achieve digitally driven financial solutions that conveniently cater to our customers' needs while also ensuring their protection from emerging cyber-related risks. We have implemented measures to ensure regular staff training and awareness regarding cybersecurity and consumer data privacy. Additionally, all employees are required to undergo annual mandatory courses on data protection and cybersecurity. All staff members must have a mandatory annual confirmation of compliance with the various cybersecurity, data privacy and code of conduct policies.

The cybersecurity and data privacy systems are designed to maintain the confidentiality and integrity of the information assets. Consequently, the Group has wholeheartedly embraced best practices and complied with laws and regulations in the regions where it operates. In summary, all subsidiaries strictly adhere to the provisions of the regional Data Protection Act and any new emerging regulatory guidelines.

One of the crucial performance metrics that assesses the effectiveness of preventing cyberattacks and fraud is the Cyber Risk Maturity Score. In the 2023 reporting period, the Group achieved a score of 93%. The commitment to cyber risk management is consistent throughout the Group and we persistently elevate our cyber maturity by establishing annual key performance indicators in the following areas:

- 1. Management & Oversight
- 2. Cybersecurity Controls
- 3. External Dependencies
- 4. Incident Management & Resilience
- 5. Threat Intelligence

In 2022, a process was initiated to obtain the ISO/IEC 27001 certification, which has now successfully been awarded to I&M Kenya, I&M Tanzania and I&M Rwanda. This standard assists in the management of the Group's information security systems (ISMS) and guides setting up, executing, maintaining and continually enhancing these systems. These efforts and elements will collaboratively enhance overall cybersecurity and prevent fraud attempts.



Occupational Health & Safety

The Group has adopted a precautionary approach principle to ensure the provision of a healthy and safe work environment for all stakeholders. The Group's health and safety policy is also guided by legal and policy requirements and international industry best practices in the regions where it operates. As the Group strives to continuously improve the occupational health, safety and environmental performance, it is guided by the following principles:

- Develop and improve programs and procedures to ensure compliance with all applicable laws and regulations.
- Provide adequate staff training and provision of appropriate safety and emergency equipment, where applicable.
- Take appropriate action to correct hazards or conditions that endanger health, safety and the environment.
- Consider safety and environmental factors in all operating decisions, including planning and material acquisitions.
- Encourage personal accountability and emphasize compliance with standards and conformance with departmental policies and best practices during staff training and performance reviews.
- Communicate the desire to improve the Group's performance continuously and foster the expectation that every staff follows the safety procedures and reports any environmental, health, or safety concerns.
- Monitor progress through periodic evaluations.

Abbreviations

Definitions

About This Report

Message from Group Executive Director

Our Sustainability
Highlights 2023

About I&M Group

Our Approach to Sustainability

Our Sustainability Action

Group Sustainability
Governance Framework

GRI Checklist

Whistleblowing

The Group is dedicated to upholding the highest standards of transparency, integrity and accountability. The Group encourages all its stakeholders to proactively report any instances of unethical or illegal conduct that deviates from the established operating procedures and guidelines.

The Group's whistleblowing policy that enables the confidential reporting of any suspicious, irregular, actual, or illegal activities encountered by whistleblowers in the context of the Group's operations.

With the assistance and backing of an independent third-party, hotline numbers are available. Its purpose is to furnish all parties involved with a discreet and confidential platform for reporting any instances of unethical conduct or incidents through whistleblowing, ensuring anonymity as necessary. The 24-hour anonymous hotline is accessible to all individuals involved with the Group. The reporting platforms are either via a unique email address, <u>DTOA@tip-offs.com</u>, or the free call channels highlighted below:

Country	Free Call Number
Kenya	0800 722 626
Uganda	0800 100 255
Tanzania	800 780 026
Rwanda	+27 315 715 307
Mauritius	802 0270001

In 2022, all I&M Group staff members participated in a whistleblowing capacity-building and awareness program. This program was designed to enhance their understanding of the process and clearly define the role of employees in reporting any unlawful actions within the business. Furthermore, the Group has established a grievance redress mechanism to ensure that our employees receive internal protection and can openly address any issues, free from concerns about bias or victimization, that are affecting them.

The policies and frameworks highlighted above empower the Group to effectively incorporate sustainability into its strategy and core business model. They establish clear responsibilities and accountability structures that ensure effective implementation. This makes the Groups' approach to sustainability adaptive to regulatory changes, stakeholder input as well as risks and opportunities.





GRI Checklist

CHECKLIST

GRI CHECKLIST

CONTENTS			
\bigcirc	Abbreviations		
\bigcirc	Definitions		
\bigcirc	About This Report		
\bigcirc	Message from Group Executive Director		
\bigcirc	Our Sustainability Highlights 2023		
0	About I&M Group		
\bigcirc	Our Approach to Sustainability		
\bigcirc	Our Sustainability Action Plan		
\bigcirc	Group Sustainability Governance Framework		

GRI Checklist

GRI STANDARD	DISCLOSURE CLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 5 of I&M sustainability report 2023
	2-2 Entities included in the organization's sustainability reporting	Page 5 of I&M sustainability report 2023
	2-3 Reporting period, frequency and contact point	Page 1 of I&M sustainability report 2023
	2-4 Restatements of information	N/A
	2-5 External assurance	N/A
	2-6 Activities, value chain and other business relationships	Page 6 of I&M sustainability report 2023
	2-7 Employees	Pages 24-26 of I&M sustainability report 2023
	2-8 Workers who are not employees	Not reported
	2-9 Governance structure and composition	Pages 9-16 of I&M annual intergrated report 2023
	2-10 Nomination and selection of the highest governance body	Pages 15 of I&M annual intergrated report 2023
	2-11 Chair of the highest governance body	Pages 11 of I&M annual intergrated report 2023
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 39-40 of I&M Sustainability report 2023
	2-13 Delegation of responsibility for managing impacts	Pages 39-40 of I&M Sustainability report 2023
	2-14 Role of the highest governance body in sustainability reporting	Pages 39-40 of I&M Sustainability report 2023
	2-15 Conflicts of interest	Pages 25 of I&M annual intergrated report 2023
	2-16 Communication of critical concerns	Page 39-40 of I&M sustainability report 2023
	2-17 Collective knowledge of the highest governance body	Page 29 of I&M Sustainability report 2023
	2-18 Evaluation of the performance of the highest governance body	Page 21 of I&M annual intergrated report 2023
	2-19 Remuneration policies	Page 92 of I&M annual intergrated report 2023
	2-20 Process to determine remuneration	Page 92 of I&M annual intergrated report 2023
	2-21 Annual total compensation ratio	Pages 92-95 of I&M annual intergrated report 2023
	2-22 Statement on sustainable development strategy	Page 12 of I&M sustainability report 2023
	2-23 Policy commitments	
	2-24 Embedding policy commitments	
	2-25 Processes to remediate negative impacts	
	2-26 Mechanisms for seeking advice and raising concerns	Page 40 & Page 44 of I&M sustainability report 2023
	2-27 Compliance with laws and regulations	Page 40 of I&M sustainability report 2023
	2-28 Membership associations	Page 1 of I&M sustainability report 2023
	2-29 Approach to stakeholder engagement	Page 8 of I&M sustainability report 2023

2-30 Collective bargaining agreements

N/A

GRI STANDARD	DISCLOSURE CLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Pages 9 - 10 of I&M sustainability report 2023
	3-2 List of material topics	Pages 10 of I&M sustainability report 2023
	3-3 Management of material topics	Page 9 of I&M sustainability report 2023
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 6 of I&M sustainability report 2023
	201-2 Financial implications and other risks and opportunities due to climate change	Under assessment
	201-3 Defined benefit plan obligations and other retirement plans	Not reported
	201-4 Financial assistance received from government	N/A
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	N/A
	202-2 Proportion of senior management hired from the local community	Not reported
GRI 203: Indirect Economic mpacts 2016	203-1 Infrastructure investments and services supported	Page 173 of I&M annual intergrated report 2023
	203-2 Significant indirect economic impacts	Page 16 of I&M sustainability report 2023
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Not reported
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	
	205-2 Communication and training about anti- corruption policies and procedures	Page 10, Page 18 of I&M sustainability report 2023
	205-3 Confirmed incidents of corruption and actions taken	Not reported
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Not reported
GRI 207: Tax 2019	207-1 Approach to tax	Not reported
	207-2 Tax governance, control and risk management	Page 158 of I&M annual intergrated report 2023
	207-3 Stakeholder engagement and management of concerns related to tax	Not reported
	207-4 Country-by-country reporting	Page 158 of I&M annual intergrated report 2023
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 23 of I&M sustainability report 2023
	301-2 Recycled input materials used	Page 23 of I&M sustainability report 2023
	301-3 Reclaimed products and their packaging materials	N/A

I&M GROUP PLC SUSTAINABILITY REPORT 2023

CONTENTS

Abbreviations

Definitions

About This Report

Message from Group Executive Director

Our Sustainability Highlights 2023

About I&M Group

Our Approach to Sustainability

Our Sustainability Action Plan

Group Sustainability
Governance Framework

GRI Checklist

GRI STANDARD	DISCLOSURE CLOSURE	LOCATION
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 22 of I&M sustainability report 2023
	302-2 Energy consumption outside of the organization	Not reported
	302-3 Energy intensity	Page 22 of I&M sustainability report 2023
	302-4 Reduction of energy consumption	Page 22 of I&M sustainability report 2023
	302-5 Reductions in energy requirements of products and services	Not reported
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 22 of I&M sustainability report 2023
	303-2 Management of water discharge-related impacts	Page 22 of I&M sustainability report 2023
	303-3 Water withdrawal	Page 22 of I&M sustainability report 2023
	303-4 Water discharge	Page 22 of I&M sustainability report 2023
	303-5 Water consumption	Page 22 of I&M sustainability report 2023
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
	304-2 Significant impacts of activities, products and services on biodiversity	Not reported
	304-3 Habitats protected or restored	Page 33 of I&M sustainability report 2023
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 23 of I&M sustainability report 2023
	305-2 Energy indirect (Scope 2) GHG emissions	Page 23 of I&M sustainability report 2023
	305-3 Other indirect (Scope 3) GHG emissions	Not reported
	305-4 GHG emissions intensity	Page 23 of I&M sustainability report 2023
	305-5 Reduction of GHG emissions	Page 23 of I&M sustainability report 2023
	305-6 Emissions of ozone-depleting substances (ODS)	N/A
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	N/A

GRI STANDARD	DISCLOSURE CLOSURE	LOCATION
GRI 306: Waste 2020	306-1 Waste generation and significant wasterelated impacts	N/A
	306-2 Management of significant waste-related impacts	N/A
	306-3 Waste generated	Page 23 of I&M sustainability report 2023
	306-4 Waste diverted from disposal	Page 23 of I&M sustainability report 2023
	306-5 Waste directed to disposal	Page 23 of I&M sustainability report 2023
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Not reported
	308-2 Negative environmental impacts in the supply chain and actions taken	Not reported
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 28 of I&M sustainability report 2023
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not reported
	401-3 Parental leave	Not reported
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Not reported
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	
	403-2 Hazard identification, risk assessment and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Pages 26 - 27 of I&M sustainability report 2023
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 26 - 27 of I&M sustainability report 2023
	404-3 Percentage of employees receiving regular performance and career development reviews	Not reported

Abbreviations

Definitions

About This Report

Message from Group Executive Director

Our Sustainability Highlights 2023

About I&M Group

Our Approach to Sustainability

Our Sustainability Action Plan

Group Sustainability
Governance Framework

GRI Checklist

GRI STANDARD	DISCLOSURE CLOSURE	LOCATION
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 28 - 29 of I&M sustainability report 2023
	405-2 Ratio of basic salary and remuneration of women to men	Not reported
GRI 406: Nondiscrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Not reported
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not reported
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	N/A
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	N/A
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	N/A
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	
	413-2 Operations with significant actual and potential negative impacts on local communities	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criter	Not reported
	414-2 Negative social impacts in the supply chain and actions taken	Not reported
GRI 415: Public Policy 2016	415-1 Political contributions	Not reported
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Not reported
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not reported
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	N/A
	417-2 Incidents of non-compliance concerning product and service information and labeling	N/A
	417-3 Incidents of non-compliance concerning marketing communications	Not reported
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not reported

I&M GROUP PLC SUSTAINABILITY REPORT 2023

48