



# BOARD SUSTAINABILITY COMMITTEE

## TERMS OF REFERENCE

Version	Date
1	May 2024

**The Terms of Reference defines the following:**

1. Overall purpose and objectives
2. Authority
3. Organisation
  - 3.1. Appointment & Membership
  - 3.2. Attendance at meetings
  - 3.3. Reporting responsibilities
4. Roles and responsibilities
5. Appendix 1 – Members of Board Sustainability Committee

## 1. Overall Purpose / Objectives

The Board Sustainability Committee (BSC) will assist and provide guidance to the Board in fulfilling its responsibilities by considering matters pertaining to the Group's overall sustainability agenda, as well as oversight of implementation and alignment of the Group's sustainability agenda across the subsidiaries.

In addition, the Board may from time to time request the BSC to assist it with specific issues or agenda relating to sustainability.

For the purpose of Para 1 (Overall Purpose and Objectives) and Para 3 (Reporting Responsibilities), Board means the Board of Directors of I&M Group Plc.

## 2. Authority

The Board authorizes the BSC, within the scope of its roles and responsibilities to:

- 2.1. Perform the activities required to discharge its responsibilities within its Terms of Reference and make relevant recommendations to the Board.
- 2.2. Acquire the resources which it requires to fulfill its responsibilities
- 2.3. Have full and unrestricted access to the records, properties, and personnel in the Group, to obtain any information pertaining to the Group relevant for its purpose. Seek any information it requires from:
  - Any employee
  - External parties
- 2.4. Ensure the attendance of one or more of the Group or Bank's Management Team members at meetings as appropriate.
- 2.5. Obtain independent professional advice, as deemed necessary to assist the Committee or any individual member of the Committee in the proper discharge of its roles, responsibilities and duties, at the expense of Group and in accordance with the authority delegated to the Committee.
- 2.6. The Committee shall be assisted by the Group and Bank's leadership team to drive sustainability best practices in I&M Group

## 3. Organisation & Administrative Matters

### 3.1. Appointment & membership

- 3.1.1 The Board will appoint the BSC. The number of members shall be determined by the Board from time to time and will consist of not less than three members, at least one of whom will be an independent director of the Company and who shall Chair the committee.
- 3.1.2 The BSC may co-opt additional members from Boards of subsidiary entities, external parties or one or more from the Group's Management Team.
- 3.1.3 The current membership, including the Chairperson is as shown in Appendix 1-Table A.
- 3.1.4 The Board shall fix the term of office of the BSC members.
- 3.1.5 The Board will, every so often, review the composition of the BSC and make any changes it deems appropriate.
- 3.1.6 The Board will have the power to appoint and remove any member of the BSC, and to fill all casual vacancies that may arise.

### **3.2. Attendance at Meetings**

- 3.2.1. A quorum for any meeting will be 2 members, one of whom shall be an independent director.
- 3.2.2. A member shall be deemed to be present at any meeting if he or she is able to hear and understand all of the proceedings of the meeting and be heard and understood by all present or deemed present by way of telephone or other suitable electronic means of communication.
- 3.2.3. Members of the BSC shall meet at least once a quarter or more frequently as required. Meetings shall be organized so that attendance is maximized. The notice of each meeting of the Committee confirming the venue, time and date, and enclosing an agenda of items to be discussed along with the relevant papers, will be forwarded to each member of the Committee not less than 5 working days prior to the date of the meeting.
- 3.2.4. The BSC may invite such other person to its meetings, as it deems necessary.
- 3.2.5. The BSC members shall appoint the secretary of the BSC.

### **3.3. Voting**

- 3.3.1 All decisions of the Committee shall be by unanimous approval. A member present at a meeting of the Committee is presumed to have agreed to and to have voted in favour of a decision / recommendation, unless he or she expressly dissents from or votes against the decision / recommendation at the meeting.
- 3.3.2 The Committee may approve an urgent matter by way of email circulation. Any decision / recommendation taken in such manner would be in line with the above preceding paragraph, i.e. circular resolutions should be unanimous. Such decision / recommendation shall be formally ratified at the ensuing meeting of the Committee.

### **3.4. Reporting to Board**

- 3.4.1. The Secretary shall take minutes of all meetings. Such minutes shall be circulated to all members of the Committee and tabled for approval at the ensuing BSC meeting.
- 3.4.2. Reports of the BSC will form part of the Board's agenda and the BSC will report directly to the Board through the BSC Chairperson.
- 3.4.3. The Chairperson of the Committee will report to each Board meeting on any matters of importance as well as the Committee's findings and recommended actions.
- 3.4.4. Minutes of all Committee meetings shall be tabled at the ensuing Board Meeting.
- 3.4.5. The BSC will review and update at regular periodicity, its Terms of Reference and receive approval from the Board on the updated Terms of Reference.
- 3.4.6. The BSC will evaluate its own performance on an annual basis and shall be guided by these Terms of Reference.

## **4. Roles and Responsibilities**

The primary responsibilities of the BSC shall include, but not be limited to the following:

#### **4.1 Strategy and Action Plan**

- 4.1.1. To direct and oversee the formulation of the Group's Sustainability Policy, the Group's overall sustainability strategies, sustainability framework, initiatives, priorities and targets (Sustainability Scorecard) as well as principles and policies which are aligned towards sustainability, the United Nations Sustainable Development Goals (SDGs), related regulations and standards.
- 4.1.2. To ensure the Group's strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability, human rights as well as climate-related risks and opportunities.

#### **4.2 Oversight of Sustainability Agenda**

- 4.2.1. To oversee and monitor the strategic management of material sustainability matters, risks as well as opportunities driven by top management and monitor progress against the achievement of the Group's sustainability targets (Sustainability Scorecard)
- 4.2.2. To oversee the implementation the action plan including the Big Idea / flagship projects
- 4.2.3. Reinforce the culture and awareness of sustainability throughout the Group by setting the tone at the top.
- 4.2.4. Approve requests for resources required for effective implementation of the sustainability agenda.
- 4.2.5. Monitor and ensure that the sustainability objectives and principles are aligned with the overall business strategy of the Group.
- 4.2.6. Jointly with the Risk Committee, ensure that the ESG risks have been integrated into the overall Group Risk Management Framework and the key risk management policies and processes, including consideration of the assessment of ESG risks and opportunities.

#### **4.3 Review and Monitoring**

- 4.3.1. Monitor and ensure that the sustainability objectives and principles are aligned with the overall business strategy of the Group.
- 4.3.2. Review and approve impact measurement and management tools to be deployed across the Group.
- 4.3.3. Review and monitor performance against the sustainability scorecard.
- 4.3.4. To review issues relating to sustainability arising from grievances, independent audits and assurance reports as well as any matters highlighted by the external consultants.
- 4.3.5. To monitor employee awareness programmes in understanding the Group's approach to sustainability and support actions on sustainability across the Group.
- 4.3.6. To oversee the outcome of the stakeholder engagement in particular, matters that may affect the Group's reputation, which shall include grievances, concerns/allegations, evolving public/market sentiments and government regulations.
- 4.3.7. Consider any other matter referred to it by the Board or another Board Committee.

#### **4.4 Oversight of Communication**

- 4.4.1. To ensure that the Group's overall sustainability framework, strategies, priorities and targets as well as performance against these targets are communicated to the Group's internal and external shareholders through appropriate means such as engagements and disclosures.
- 4.4.2. To receive and review quarterly reports on the impact of the Group's Sustainability agenda based on the pre-agreed Sustainability Scorecard
- 4.4.3. Oversee external reporting of the Group's sustainability strategy, including objectives, policies, measures, disclosures and progress of implementation and in alignment with recommendations of any reporting requirements adopted by the Group, such as Nairobi Securities exchange, UN Global Compact and any other relevant authorities relating to the Group's sustainability matters.

- 4.5** The Committee shall undertake any such other functions as maybe determined by the Board from time to time.

#### **5. Committee's Performance**

On an annual basis, the Board shall evaluate the Committee's performance and extent to which the Committee has met the requirements of its Terms of Reference.

#### **6. Review of the Terms of Reference**

- 6.1 The Committee's Terms of Reference and work plans shall be reviewed periodically, as and when required, especially when there are changes to the Regulatory Requirements, or at least once every two (2) years.
- 6.2 All amendments to the Terms of Reference of the Committee must be approved by the Board.

**APPENDIX 1**

**TABLE A**  
**MEMBERSHIP - BOARD SUSTAINABILITY COMMITTEE**

Members of this committee are as set out below:

<b>Name</b>	<b>Position</b>
Rose Kinuthia	Independent Director - Chairperson
Phyllis Wakiaga	Independent Director
Sarit Raja Shah	Group Executive Director
Kihara Maina	Regional Director
Gauri Gupta	Group Executive GM – Corporate Advisory
<b>INVITEES</b>	
1. Dipna Shah	- AGM, Corporate Advisory and Sustainability Lead
2. Christine Sidi Katembo	- Snr Manager, Corporate Advisory

  

<b>Name</b>	<b>Position</b>
Stella Kariuki	Secretary