



EXTERNAL ENVIRONMENTAL AND SOCIAL (E&S) GRIEVANCE PROCEDURE

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1. INTRODUCTION

I&M Group Plc (hereafter referred to as "*I&M Bank*", "*I&M*", "*the Bank*" or "*the Group*") is committed to upholding the highest standards of ethical conduct, transparency, and accountability in all its operations and financed activities. This Grievance Mechanism Policy (the "Policy") outlines a formal, impartial, and effective process for receiving, investigating, and resolving concerns, issues, or problems (referred to as "grievances") raised by individuals or groups who believe they have been adversely affected by the Bank's actions or its clients' projects.

This procedure forms an integral part of the Bank's Environmental and Social Management System (ESMS) and aims to ensure that all environmental and social concerns are handled in a transparent, timely, and equitable manner, while promoting learning and continuous improvement.

2. PURPOSE AND SCOPE

This Environmental and Social (E&S) Grievance Procedure outlines the formal process through which (the "Bank") receives, investigates, and facilitates the resolution of concerns or complaints related to its environmental and social performance. This includes impacts arising from the Bank's direct operations, its supply chain, and, critically, the E&S impacts associated with its financing activities.

The purpose of this procedure is to:

- **Mitigate Risks:** Act as an early warning system to identify and address E&S issues proactively, preventing escalation into significant financial, reputational, or operational risks.
- **Enhance Stakeholder Relations:** Provide a transparent, accessible, and responsive platform for all stakeholders to voice concerns and seek resolution, thereby building and maintaining trust.
- **Ensure Compliance:** Align the Bank's practices with international standards such as the UN Guiding Principles on Business and Human Rights (UNGPs), IFC Performance Standards (PS), EBRD Performance Requirements (PRs), and Equator Principles (EPs).
- **Strengthen Accountability:** Ensure that grievance outcomes are reported to governance bodies, and that lessons learned are incorporated into future risk management and decision-making.

3. SCOPE OF GRIEVANCES

This procedure covers E&S grievances related to:

- **Own Operations:** Concerns regarding the Bank's direct environmental footprint (Example: energy consumption, waste management) and social aspects (example: labor practices, workplace safety, customer data privacy).
- **Supply Chain:** E&S impacts associated with third-party suppliers and contractors engaged by the Bank.²
- **Financed Projects/Clients:** Adverse human rights or environmental impacts arising from projects or companies financed by the Bank (e.g., land acquisition, labor issues, environmental damage linked to a financed project).

A "**grievance**" is defined as any expression of dissatisfaction or concern by an internal or external stakeholder about a real or perceived negative environmental or social impact linked to the Bank's operations, supply chain, or financed activities. This

includes complaints related to pollution, community health and safety, land acquisition, labor practices, discrimination, gender-based violence, or breaches of human rights.

4. STAKEHOLDERS COVERED

The mechanism is designed to be accessible to diverse stakeholder groups, including employees, customers, project-affected communities, civil society, investors, regulators, and others.

Third-party representatives (e.g., community advocates, CSOs, or legal representatives) may also submit grievances on behalf of affected individuals or groups, with their consent.

5. GUIDING PRINCIPLES

The Bank's approach to grievance management is based on the following principles as articulated in the International Finance Corporation (IFC) Guidance Note 1¹:

- **Legitimacy:** The mechanism is designed to foster trust among all stakeholders, ensuring that processes are carried out correctly, impartially, and with integrity.
- **Accessibility:** The mechanism is known to all intended stakeholder groups, with clear, multiple channels for reporting and adequate assistance for those who may face difficulties in accessing it.
- **Predictability:** The mechanism provides a clear, known procedure with indicative timeframes for each stage, clarity on available processes and outcomes, and means to monitor implementation.
- **Equitability:** Complainants have reasonable access to information, advice, and expertise necessary to engage in the process on an equal basis, with full information and respect.
- **Transparency:** Parties are kept informed about the progress of their grievance, and sufficient information on the mechanism's performance is provided to build trust and safeguard public interest.
- **Rights-Compatible:** Outcomes and remedies are in accordance with internationally recognized human rights and applicable national laws.
- **Source of Continuous Learning:** Measures are adopted to identify lessons for improving the mechanism and preventing future grievances and damages.
- **Based on Engagement and Dialogue:** The development and performance of the mechanism benefit from consultation with intended users, and dialogue is a key means of grievance resolution.
- **Confidentiality and Non-Retaliation:** The identity of complainants will be treated confidentially unless they permit disclosure, and there will be no retribution against any person reporting a grievance in good faith.
- **Respect for people:** The grievance process and resolution will not be humiliating or degrading either for the complainant or for the alleged party.
- **Survivor-centered approach:** The grievance resolution process, especially for sexual harassment cases, will focus on the well-being (including dignity and respect) of the survivor prior to anything else.
- **Inclusivity:** The mechanism accommodates diverse languages, literacy levels, and accessibility needs, ensuring that vulnerable groups including women, youth, persons with disabilities, and indigenous communities can effectively access it.

¹ [Guidance Note 1: Assessment and Management of Environmental and Social Risks and Impacts - Published January 1, 2012 \(updated June 14, 2021\) \(ifc.org\)](#)

- **Data Protection:** All grievance information shall be managed in accordance with applicable data protection and privacy laws, including Kenya's Data Protection Act and equivalent laws in jurisdictions where I&M operates.
- **Impartiality:** All grievances will be handled objectively, ensuring there is no conflict of interest between the investigating and affected parties.

6. GOVERNANCE AND OVERSIGHT

A Grievance Oversight Committee (GOC) shall be established, comprising representatives from the ESG Unit, Risk, Compliance, HR, Marketing and Legal departments. The Committee will:

- Oversee implementation and consistency of the grievance process.
- Review quarterly reports from the E&S Manager on grievances received and resolved.
- Report key findings and systemic issues to the Group Executive Committee and the Board of Risk or Board Sustainability Committee.

7. ALIGNMENT WITH DFI REQUIREMENTS AND RELATED POLICIES

This Environmental and Social (E&S) Grievance Procedure has been developed in alignment with the Environmental and Social (E&S) requirements of Development Finance Institutions (DFIs) with which I&M Group maintains relationships.

Accordingly, the procedure complies with relevant international frameworks such as the IFC Performance Standards, the Equator Principles IV, the EBRD Performance Requirements, and the UN Guiding Principles on Business and Human Rights (UNGPs). This Procedure should therefore be read together with and interpreted consistently alongside the Bank's Environmental and Social Management System (ESMS) Policy, Environmental and Social Risk Policy, ESG Policy, and their related procedures, manuals, and implementation tools.

In the event of any discrepancy between this Procedure and DFI requirements, the higher or more stringent standard shall apply.

Other related procedures and policies

- Environmental and Social Risk Policy.
- Operational Risk Notification and Escalation Process.
- Whistleblowing Policy.
- Sexual harassment policy.
- HR manual & Employee Code of conduct.
- Vendor code of conduct.
- ESG Policy.

8. GRIEVANCE PROCEDURE

For each complaint/ information request received, the Bank will assess the relevance of the external communication received and will determine the level of response required, if any.

Where complaints need to be resolved in a formal and structured manner, the following procedure set out below shall be adhered to.

This Procedure is composed of the steps outlined in the figure below and elaborated in subsequent sections:

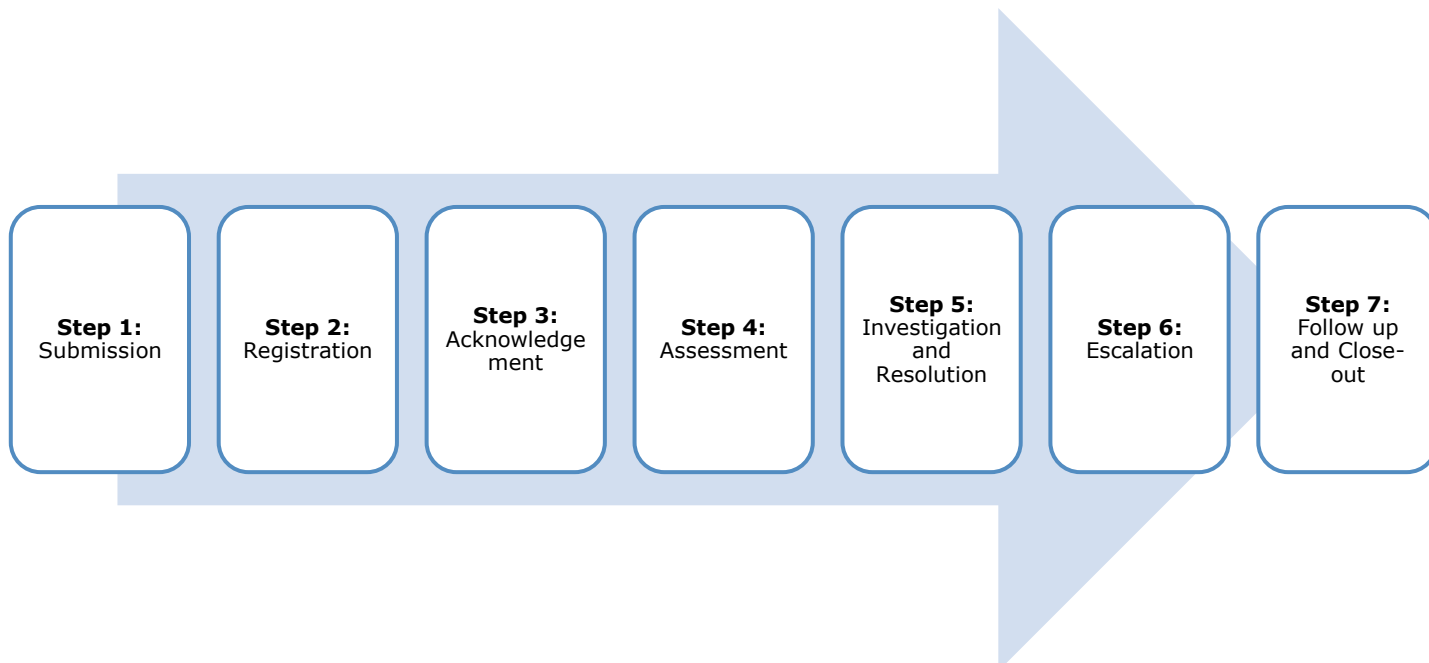


Figure 1: I&M Group External E&S Grievance Management Process

NOTE: There is no cost or fee associated with submitting a query, concern, or complaint through this Procedure and this shall be regularly communicated to those presenting grievances to the Bank.

Step 1: Submitting grievances.

In cases where external stakeholders would like to express concern, complaints or suggestions regarding I&M’s Borrowers’ personnel and activities, they are encouraged as a first step to lodge grievances in writing, telephonically, or verbally directly with the specific I&M borrower.

However, if external stakeholders wish to submit their grievances to I&M Group directly, they can do so through the ‘Contact us’ section on I&M Group’s website (www.imbankgroup.com) or by sending an email-to- DTOA@tip-offs.com.

Other channels for grievance submission include:

- The affected parties can walk into any Branch and report a complaint. Branches will record complaints via the External E&S Grievance Submission Form for resolution by the ESG Team. During stakeholder meetings and workshops.
- Emails to:
 - ✓ Email: DTOA@tip-offs.com
 - Mobile Reporting Interface: www.tip-offs.com
 - ✓ Project affected parties can send an email to Esgteam@imbank.co.ke
- On I&M Group’s website:
 - ✓ Website: www.tip-offs.com
 - ✓ Project affected party can also report complaints via [I&M Group PLC - Eastern Africa's Leading Financial Partner for Growth](#)
- Writing letters to I&M Group’s management through the Bank’s registered postal address (**I&M Bank, P.O. BOX 30238-00100, NAIROBI, GPO, KENYA**) - The complaints received through letters will be handled by the ESG Risk within 14 working days.

Through the Bank's contact centre via the following touch points

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

Contact Centre

Country	Free Call Number
Kenya	+254 719 088 000 / +254 732 100 000
Uganda	+256 417 719 100
Tanzania	+255 784 107 999
Rwanda	+250 78 816 2006 / +250 78 816 2000
Mauritius	802 0270001

NOTE: The complaints received through the Contact Centre will be directed to the ESG Team for further processing

As part of the grievance submission procedure, an external stakeholder is encouraged to fill in the Bank's **External E&S Grievance Submission Form**, in instances where the grievance is lodged in writing. The Grievance Submission Form will be available on the Bank's website [I&M Group PLC](#) and in all Bank branches and offices.

Where the grievance is lodged verbally, the member of staff receiving the complaint/concern should, as far as possible, register the grievance by completing the Bank's **External E&S Grievance Submission Form** on behalf of the complainant.

As a minimum requirement, the following information should be included for each grievance:

- The name of the complainant and the contact information (*in instances where the complaint is not anonymous*);
- Date and time of the incident or action giving rise to the complaint; and
- Details of grievance i.e., nature of the grievance and any supporting information to guide in the resolution of the grievance.

All E&S-related grievances received through various channels are escalated to the ESG Team via the ESGTeam@imbank.co.ke email within **24 hours** of reception.

Step 2: Grievance Registration

Grievances once received should be registered to facilitate the follow-up and resolution process. The E&S Manager is responsible for compiling all the E&S grievances within the Bank's [Grievance Register](#).

The following information must be included/ entered in the Grievance Register:

- Date the grievance is/was received
- Category of the stakeholder
- Name, and contact information of the complainant (if non-anonymous)
- Description of the grievance
- Level of grievance (see Grievance Assessment section below)
- Date the acknowledgment was sent
- Department responsible for managing the grievance
- Unit responsible for managing the grievance

- Measures taken to resolve the grievance, including details of the resolution discussed and agreed with the complainant(s)
- Status of the grievance (open, resolved, unresolved, escalated, or abandoned)
- Follow-up monitoring requirements.

All E&S grievances submitted to the ESG Team should be recorded by the E&S Manager in the Grievance Register within **24 hours** of the receipt of the grievances.

All grievances shall be assigned a unique reference number for tracking and follow-up. The Grievance Register shall be maintained in a secure digital database compliant with data protection laws.

Step 3: Grievance Acknowledgement

Receipt of grievances will be formally acknowledged by the E&S Manager, in writing (email) not more than **72 hours** from the date of submission (except in cases where adverse impacts are significant, and the formal acknowledgment will be shared within **60 hours**).

The initial response should inform the complainant regarding the person or unit dealing with the complaint, and the timeframe in which a formal response can be expected.

A full response should then be provided no later than **three (3) working days** from receipt of the grievance.

Acknowledgments must specify the assigned reference number, responsible officer, and indicative resolution timeframe.

Step 4: Grievance Assessment

Each grievance must be assessed to determine the type of response required. I&M has identified three levels of risk associated with grievances which are used to assign responsibility and define the type of response required. When a grievance is assessed, different levels should be considered.

A standardized assessment form shall be used to document the rationale for grievance classification and to ensure consistent categorization across business units.

These risk levels are:

- **Level A** – this category covers grievances that do not pose and risks to the Bank and cover enquiries, compliments or enquiries that do not relate to the Bank.
- **Level B** – this category covers grievances that pose a potential risk to the Bank including its reputation. These grievances can be managed by Bank staff and do not involve recurrent issues or policy breaches.
- **Level C** – this category covers grievances that pose significant risks to the Bank and can lead to widespread reputational and compliance risks to the Bank.

Grievance Risk Levels.

Table 1 below outlines the three levels and associated details.

Level	Detail
Level A	<ul style="list-style-type: none"> • Positive feedback requiring acknowledgment and thanking • Feedback that is not related to I&M or its borrowers and needs to be directed elsewhere • Question or request for information only
Level B	<ul style="list-style-type: none"> • Grievance, but it is not related to a recurrent question/request for information • Grievance, but there has been no regulatory breach • Grievance, but there has been no I&M and/or borrower policy breach • Grievance, but it is not related to death or serious illness or pollution
Level C	<ul style="list-style-type: none"> • Repeated or widespread grievance • Grievance that is a regulatory breach • Grievance that is a breach of I&M and/or borrower policy • Direct accusation of breach of human rights • Grievance related to death or serious illness or pollution

All Level 'C' grievances require the involvement of senior management of I&M Bank and should be reported within **12 hours** of receipt to I&M's E&S Manager (ESM) and the Group Chief Risk Officer (GCRO). The GCRO will then inform the Group Chief Executive Officer/ Managing Director (GCEO/ MD) within **12 hours** of receiving the notification from the E&S Manager. The GCRO and the GCEO/ MD will then assign responsibility for investigation and responding to the grievance. If the grievance relates to the ESM, GCRO or GCEO/ MD themselves, I&M Group's Head of Legal will assign an independent person to provide oversight on the assessment of the grievance including the assigning of roles and responsibilities for the grievance resolution.

Level 'B' grievances should be reported within **24 hours** to I&M's ESM. The ESM will thereafter assign responsibility for investigation and responding to the complainant.

Level 'A' grievances should be reported to the ESM within **24 hours**. The ESM is responsible for responding to E&S-related inquiries.

Step 5: Grievance Investigation and Resolution

Once the responsibility of a grievance has been assigned to an individual, it should be investigated and resolved. Investigating E&S-related grievances is primarily the responsibility of I&M's E&S Manager, in cooperation with the I&M Group's Human Resource Department, Risk and Compliance Department, Customer Experience Department, Credit Department, Branch Level Network, among others, as well as any external support i.e., local administration, security agencies, etc.

When resolving any grievance, records of all correspondence must be kept. Any follow-up monitoring required must be documented and an implementation plan developed and actioned. A response should be provided to the complainant in all cases explaining the action taken or not taken to resolve the complaint. The response will be shared within **five (5) working days** following the completion of the investigation.

Responses must be provided to the complainant in written form and explained verbally in a language that is understood by the complainant, if required.

If relevant, I&M's senior management may arrange for a meeting with the complainant (*either in person or via conference call*) to discuss the matter further.

NB: *The complainant has the right to be accompanied by a colleague or acquaintance, who may be allowed to address the meeting on their behalf.*

Step 6: Grievance Escalation

Where a grievance is not closed out satisfactorily, a complainant may choose to escalate their complaint in writing or in person to the Group Executive director, Regional CEO or country Chief Executive Officer (CEO) of I&M business subsidiary. An acknowledgment will be made by I&M to the complainant within **48 hours** of receipt of a complaint, which will state the person responsible for handling the complaint and the timeframe in which a formal response can be expected.

The GCEO/ MD can re-open an investigation into the grievance following the steps outlined above. The response should be shared within **ten (10) working days** following the completion of an investigation.

If the complainant is not satisfied with the grievance response, it should be clearly stated that they are free to seek resolution through a formal external dispute resolution mechanism, with no risk of retribution.

Step 7: Grievance Follow-up and Close-out

A response for all grievances should be provided by the I&M Group's E&S Manager to the complainant in all cases explaining the action taken or not taken to resolve the complaint. Responses must be provided to the complainant in written form and explained verbally in a language that is understood by the complainant, if required. Should the grievance be of level A, the response or update may need to be provided directly by I&M Group's Executive Management (GCEO/ MD or GCRO) and should provide clear information on the proposed final corrective action and detail any related commitments made by both parties.

For grievances that have been closed out satisfactorily, a close-out status message (via email or in writing) should be provided to the complainant by I&M Group's E&S Manager within 5 working days following the closure of the grievance. A close-out status should also be updated on the Grievance Register.

For grievances that have been escalated to other channels, a comment on the status of the escalation should be included within the Grievance Register.

Follow up monitoring actions should be included (where necessary) and responsibilities assigned for the monitoring of these actions.

For all E&S grievances received from external stakeholders of the Bank, the Grievance **Register** must be completed detailing resolutions discussed and agreed with the party(ies) in question, actions implemented (including dates), follow-up monitoring requirements, and the outcome of the actions implemented.

Step 8: Data Protection and Confidentiality

All information collected during the grievance process will be treated as confidential and managed in accordance with applicable data privacy laws. Data will be securely stored, encrypted, and accessible only to authorized personnel. Personal data will not be disclosed to third parties without the complainant's consent, except as required by law.

Step 9: Accessibility and Inclusion

The Bank will ensure that the grievance mechanism is accessible to all stakeholders, particularly vulnerable or marginalized groups.

9. RESPONSIBILITY MATRIX

The Table below outlines the steps, activities, responsibilities, timelines and tools utilized in the Bank's formal external E&S grievance process.	Activity	Responsibility	Timeline	Tool
Submission				Grievance Submission Form
Registration				Grievance Register
Acknowledgement				Not Applicable
Assessment				Not Applicable
Investigation and Resolution				Not Applicable
Escalation				Not Applicable

The Table below outlines the steps, activities, responsibilities, timelines and tools utilized in the Bank's formal external E&S grievance process.	Activity	Responsibility	Timeline	Tool
Follow -up and Close-out				Grievance Register

10. GRIEVANCE MONITORING AND PERIODIC REVIEW

To drive continual improvement and lessons learned, grievances submitted shall be reviewed **quarterly** to identify trends and point out areas for improvement, as part of the ESMS Periodic Monitoring and Review process. Where practical and acceptable to the concerned parties, stakeholder-driven monitoring and evaluation exercises may be facilitated by the Bank to drive further learning.

The ESM shall also report quarterly to the Executive Committee on the number of grievances and the outcomes of the grievance resolution process.

11. MATTERS TO BE AWARE OF WHEN HANDLING GRIEVANCES

When dealing with a grievance, I&M's management should be aware of and practice the following:

- Hold any grievance interviews in private without interruptions.
- Where a grievance relates to a stakeholder's direct manager, ensure that the person can raise the grievance through someone else.
- Listen carefully to the person's explanation of the matter and consider whether there is a deeper issue, which might be the root cause of the grievance.
- Listen to any conflicting points of view.
- Weigh up all evidence to determine the main concern that needs to be addressed and the appropriate action/s to be taken.
- Decide what action to undertake by balancing fairness to the aggrieved person without compromising the business or other stakeholders.
- Inform all concerned parties of the decision; and
- Keep the process as confidential as possible.

12. NON-RETALIATION

I&M Group will protect any stakeholder that raises grievance. Any form of retaliation, victimization, or threats will not be tolerated. This shall be regularly communicated to those presenting grievances to the Bank.

13. COMMUNICATION

I&M Group's External E&S Grievance Procedure will be available and accessible to external stakeholders through the organization's website (www.imbankgroup.com).