



For People. For Better.

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Outlook

About this Report

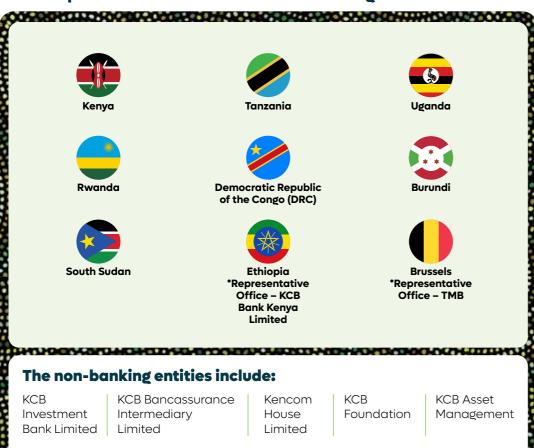


Scope and Reporting Boundary

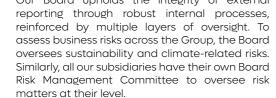
ur 2024 Sustainability Report encompasses the period from January 1 to December 31, 2024. The financial and nonfinancial data presented relates to the KCB Group Plc as the primary reporting entity, covering all subsidiaries and entities under our control or substantial influence.



The Group entities are distributed in the following countries:



Report Overview



The Group's sustainability disclosures reference the International Financial Reporting Standards (IFRS) Our Board upholds the integrity of external S1 and S2 issued by the International Sustainability Standards Board (ISSB).

> This report has been prepared for the same consolidated reporting entity and reporting period as the Group Consolidated Financial Statements (Page 128 of Integrated Report).

Reporting suite



2024 Sustainability Report

We affirmed the Group's dedication to embedding Environmental, Social, and Governance (ESG) principles into our fundamental business activities. By doing so, we strengthen our commitment to advancing sustainable finance, ensuring a balance between profitability and lasting positive impacts for society and the



Integrated Report 2024

Link to the report

We present a comprehensive and future-focused narrative about how we create and maintain value. This encompasses significant sustainability factors that shape our company's worth or impact our business approach.



Investor Presentation Link to the report

Our presentations are published quarterly, featuring updates on financial and non-financial performance.

Assurance and Verification

KCB Group maintains robust internal policies, procedures and controls to ensure the accuracy and reliability of the sustainability data presented in this report. The Group's Board provides dedicated oversight of all sustainability matters, including the preparation and integrity of this sustainability Report.

The Group is solely responsible for the selection, preparation and presentation of sustainability information across the report. Our measurement metrics and reporting criteria are purposefully aligned with the nature of our business, industry standards and stakeholder expectations. We recognise that credible sustainability disclosures depend on high-quality data, and we continuously strengthen our processes to support this commitment.

To enhance rigour, we have integrated ESG reporting into our core business reporting systems. Where manual data sourcing or categorisation remains necessary, we are actively developing more robust, automated processes to further improve accuracy and efficiency in future reporting cycles.

Deloitte & Touche LLP provided independent limited assurance on selected sustainability key performance indicators (KPIs). The assured KPIs are listed on pages 6 and 7, and defined in Appendix B. The full assurance statement appears in Appendix A.



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At the Sustainability Department, we value feedback and welcome any comments or suggestions you may have about the report or our sustainability performance.

Please contact us at: sustainability@kcbgroup.com

Approach

Engagement

Outlook

Sustainability Highlights

024 was a year of remarkable progress and achievement for us. Among our many successes, we are proud to highlight the following key accomplishments.

Green Lending



Cumulative of **21.32%** of green finance portfolio,



KShs. 24.1 billion^{LA} green loans verified by

Green Climate Fund (GCF)



Approval of

KShs. 69 million in Project Preparation Facility funding for MSME climate financing

Environmental and Social Due Diligence (ESDD)



Over KShs. 578.3 billion of loan facilities assessed against environmental and social risks

Linda Miti Campaign



Planted and grew

1,386,203 trees, in collaboration with

1,259 schools and other partners

Waste Management



97.240 kgs of waste generated and recycled for KCB Bank Kenva Limited

Clean Cooking



KShs. 32 million

was financed for high school LPG gas in 2024, resulting in a cumulative total of

KShs. 102.5 million

KCB Foundation 2Jiajiri Programme



Environmental

9,699LA youths participated in the programme training



60,686 jobs created

37,078 businesses supported



Social

Governance

KShs. 2.58 billion

in financing the programme

KCB Scholars Programme



99%of students sponsored completed high school



582 students supported in tertiary education



1,249^{LA} students supported under the education scholarship programme (Kenya)

Mifugo ni Mali



15 Farmer Producing Organisations (FPOs) supported in acquiring value addition equipment



3,362 farmers' businesses supported

Corporate Social Investments



KShs. 40.4 million

was disbursed for disaster relief, social and educational initiatives, environmental sustainability, and support for cultural and sports activities

Economic Development



billion^{LA} value of KCB M-pesa loans

disbursed

KShs. 52.5

Over **1.7** million^{LA} Mobi loans

disbursed

Employee Diversity

7.790^{LA}

employees completed the antimoney laundering course

8,549^{LA}

employees signed Staff Declaration forms

9,468^{LA}

employees completed the ethics e-learning course

1.491^{LA}

permanent and and pensionable employees

5.751^{LA} 4,327LA female male

permanent permanent and pensionable pensionable employees employees

10,078^{LA} full-time equivalent (FTE) Group employees

1,007^{LA} full-time equivalent (FTE) Group employees

belong to a union (Kenya)

Transparent Reporting



Best institution

in ESG reporting at the Kenya ESG Awards



Conducted

limited assurance of 2024 sustainability report

66,410^{LA} Number of Bancassurance

in the year

KShs. 6.07 billionLA

Value of Bancassurance premiums written in the policies written year

Affiliations



First financial institution to be a member of Parisaligned Climate Action Framework (PCAF)

New Products Launched



Wealth Builder

Linda Biashara

Lady Auto

Capacity Building



A total of **390,875** learning hours at the KCB Learning Hub

2,032 courses completed

Board Diversity



36%^{LA} of the Group Board are women



Group average of 1.4LA

days in Customer Complaint Resolution

Subsidiary average of

2.8^{LA} days in Customer Complaint Resolution

LA - Limited Assurance

Policy Structure

Sustainability

ESMS policies

IFRS Readiness

IFRS Readiness

Scored 2.3 out of 5

Assessment

Assessment

efforts are guided

by Sustainability &

Scored 2.3 out of 5

Executive Summary

Outlook

Workforce Diversity

Financial Inclusion

Bank's reach

• 179 employees are under 35

• 4 employees are differently-abled

• 48% of female and 52% of male employees

• 38% of women representation in the board

• 76 branches and 1,526 agents hence expanding the

• Secured over **USD 55 million** from IFC and IFU for

Subsidiary Highlights

Environmental

KCB Bank Kenya Limited

Sustainable Finance

- Comprehensive Environmental and Social Due Diligence applied to projects over KShs. 513.9 billion
- 21% of loan portfolio are green loans
- KShs. 69 Million approved by the Green Climate Fund as Project Preparation Facility (PPF) funding

Tree Planting and Growing Planted over 1,365,

371 trees across 209 branches in collaboration with 1,259 schools

Net-Zero Commitment

Adopted a multi-phased decarbonisation strategy aligned with NZBA

Tree Planting and Growing

Planted a total of 10,000

Fort Portal, Kampala,

Sustainable Finance

KShs. 25.1 billion worth

of loans screened for

environmental and social

Arua, Hoima

risks

trees across Jinja, Mbale,

Enterprise Skill Development

• 9,699 youth trained through 2Jiajiri Programme

• **8,114** jobs created in 2024 with 60,686 jobs created cumulatively

Promoting education

• 1,249 new scholarships awarded with 98 scholarships from the Ubuntu initiative

Capacity Building

· Trained 3,767 employees in ESGrelated matters

· A total of 87 training sessions were

• Partnered with Girls for Girls that

saw 100% of participants join the

accumulated 684 hours

Meaningful Partnerships

conducted, reaching 537 staff who

Meaningful Partnerships

Capacity Building

global platform

- Taka ni Mali partnerships
- Global Business Summit partnerships

Board Oversight • Board Audit and Risk Committees provide oversight of sustainability risks and approve policies

Dedicated Unit:

 Sustainability Unit drives sustainability agenda in the Bank

IFRS Readiness Assessment

· Scored 2.7 out of 5

Governance Oversight

reporting

Policy Structures

Board Risk committee are

responsible for sustainability

Bank's sustainability agenda

Presence of sustainability policy

and social and environmental

management systems policy

· Board of Directors, supported by the

Board Risk and Strategy Committee

Climate related risks are embedded

in the Enterprise Risk Management

ensure sustainability risks and

Quarterly board and monthly

management discussions on

Leadership training on ESG

IFRS Readiness Assessment

Scored 2.6 out of 5

Structured Oversight

opportunity oversight

climate risks

governance

Marketing and Risk departments

have shared responsibility for the

Bank of Kenya Limited

National

BPR Bank

Rwanda

*NBK has acquired

since beer by another

• **16.9%** decrease in electricity consumption **Responsible Lending**

Conducted Environmental & Social Due Diligence (ESDD) on 27 high-value loans totalling **KShs. 10**

Sustainable Financing

were screened for

Planted 5.500 trees

Resource Consumption

• **38.29%** decrease

in generator-fuel

consumption

• KShs. 5.3 billion in loans

environmental and social

Tree Planting and Growing

Workforce Composition

SME financing

· Total of 1,432 employees

Meaningful Partnerships

- 49% of employees are men and 51% are women
- · Over 1,000 staff were trained

- · Water, Sanitation and Hygiene (WASH) achievements • Enabled **326,294** individuals to gain access to safe and affordable water
- Enabled 77,959 individuals access to adequate and equitable sanitation and hygiene
- 733 direct jobs created in the water and sanitation sector
- 89 WASH enterprises have been financed
- 84% of NBK staff have been trained on water and sanitation

KCB Bank Sudan



Renewable Energy **Transition**

 Installed solar power systems at its head office

 Conducted 23 training sessions for employees, customers & stakeholders

Financial Inclusion

- · Provided liquidity to underserved communities, enabling daily transactions in regions without physical branches
- Deployed trusted agents in rural areas to offer deposit, withdrawal and transfer services

Financial Literacy Programs

Launched education initiatives targeting women and youth, covering budgeting, savings

 Partnered with IGAD in regional forums on flood mitigation, climate adaptation

assessment in progress

Stakeholder Engagements

IFRS readiness

Collaborations

Regular training

& partnerships demonstrate commitment to governance

IFRS readiness

assessment in

progress



Climate & Biodiversity

SOS Planete Congo:

- Provides educationdriven climate awareness
- Targets Congo River Basin conservation

Bismack Biyombo Foundation:

Community & Education

- Scholarships, infrastructure upgrades and digital tools for schools
- Delivered **USD 1 million** in life saving medical supplies such as PPEs, testing kits, ventilators
- Clean water systems, vocational training & sports programme for youth

Financial Inclusion

 E-vouchers for marginalised groups to access essentials

· Mobile banking reaches 200,000 individuals monthly

Workforce Diversity

- 72% male and 28% female
- 77.32% of employees are aged 26-40

KCB Bank Tanzania Limited

KCB Bank

Uganda

Limited

Sustainable Finance

• KShs. 24 billion in loans screened via Environmental and Social Due Diligence

Tree Planting and Growing

5,332 trees planted in Dar es Salaam, Arusha and Mara River Basin

Financial Inclusion

· Expanded branch network from 16 to 18 and more than 600 KCB Agents for rural outreach

Community Initiatives

- 2.185 beneficiaries for educational and entrepreneurship
- 607 direct and 947 indirect jobs
- 22 training sessions on financial and leadership skills
- 1,500 school desks donated
- 304 youth trained in entrepreneurship
- 960 youth empowered with 388 in the construction secto

Workforce Diversity

• 190 male, 165 female employees

· Age range: 20 - 49 years

framework **IFRS Readiness Assessment**

Scored 2.6 out of 5

Disclosure Framework

isclosure

Our Sustainability and Climate-related

Material Issues

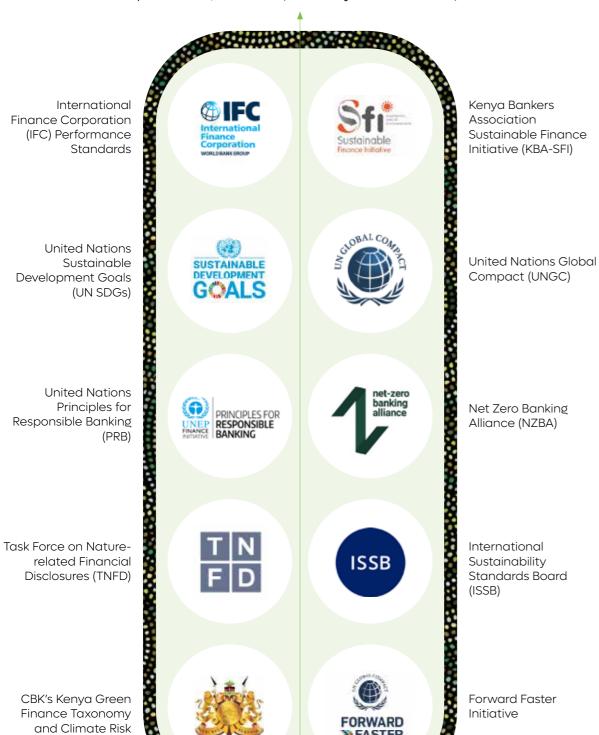
Stakeholder Engagement

Our 2025 ES Outlook Appendice:

Our Associations and Recognitions

Our Associations

In all our operations, we are guided by the following standards:





2024 Awards and Recognition

Our Tax



Awarding Institution	Award(s)			
World Business Outlook	Best Sustainable Ban	Best Sustainable Bank Kenya 2024		
Think Business Limited Awards	Best Bank in Sustaina	able Corporate Social Responsibility		
	Best Green Bank in Ke	enya		
Female Economy Awards	Financial Alliance for Women's 2024 Access to Finance Champion			
Financial Alliance for Women	Champions of the Fe	Champions of the Female Economy – Access to Finance Champion Award		
Global Business Magazine Awards 2024	Best Bank in Corpora	te Social Responsibility Kenya 2024		
	Best Sustainable Ban	k Kenya 2024		
Global Business and Finance Magazine Awards	Best Corporate Social Responsibility Initiatives Kenya 2024			
World Economic Magazine Awards 2024	Best CSR Bank Kenya 2024			
	Best Sustainable Bank Kenya 2024			
Global Brands Magazine	Best CSR Bank – Keny	ya 2024		
	Most Sustainable Bar	nking Brand – Kenya 2024		
Global Excellence Chronicle Magazine	Best Bank in Corporate Social Responsibility Kenya 2024			
Awards 2024	Best Sustainable Bank Kenya 2024			
	Best Overall Bank Ker	nya 2024		
Kenya Bankers Association – SFI Catalyst	Winner	Promoting Differently-abled Accessibility		
Awards 2024		Best in Sustainable Finance		
		Promoting Gender Inclusivity		
	1st Runner Up	Best in Client Case Study Promoting Differently-abled Accessibility		
	2nd Runner Up	Best in Client Case Study Promoting Gender Inclusivity		
Marketing World Awards	Best Bank in Sustaina	ability		
Qorus Reinvention Awards – MEA 2024	Winner – ESG Catego	pry		













Outlook

Group Chairman Statement

ur esteemed stakeholders, it gives me great pleasure to introduce to you the 2024 KCB Group Sustainability Report. Our continuous dedication to integrating sustainability principles into all aspects of our business operations and strategy plan is detailed in this report. KCB Group has demonstrated remarkable resilience in a year marked by significant regional shifts and global economic uncertainties, whilst also pursuing opportunities to advance sustainable development and deliver long-term value for all its stakeholders.

Transparency and Accountability

Transparency and accountability are the foundation of our sustainability agenda at KCB Group. We understand that our stakeholders, which comprise shareholders, clients, staff, regulators, communities, and partners, expect nothing less than transparency, integrity, and consistency in our operations and reporting.

Consistent with this, the 2024 Sustainability Report has been created with reference to the International Financial Reporting Standards (IFRS) sustainability disclosure rules, notably IFRS S1: General Requirements for Disclosure of Sustainability related Financial Information and IFRS S2: Climate-related Disclosures. By reporting through this framework, we are able to report on our financial impact on sustainability risks and opportunities. For all stakeholders, this improves the reliability, consistency, and utility of our disclosures for decision-making.

To further strengthen the integrity of our reporting, this year's report has undergone independent third-party assurance by Deloitte. This will be the second time our report has undergone third-party assurance. The assurance process

▲ validated the accuracy and completeness of the Group's selected sustainability information and confirmed our alignment with key reporting requirements. It reflects our commitment to upholding the highest levels of accountability and transparency

Across the Group, we continue to build strong governance frameworks, internal controls, and data systems to support accurate sustainability risk management and performance reporting. From climate-related risk disclosures to social impact and sustainable finance, we remain steadfast in our commitment to responsible business conduct.

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Group and Sustainability Strategy

In 2024, the Group introduced a new strategy, dubbed "Transforming Today Together", a three-year plan that runs from 2024 to 2026, to reorient our strategic direction. This new strategy prioritises sustainability because it understands that the health of the environment and the communities we serve are crucial to our long-term success. Sustainability is a fundamental principle which directs our company practices and growth goals, rather than existing as a stand-alone endeavour.

Leadership in Sustainability Agenda

Our sustainability agenda is mostly driven by KCB Group's leadership. We are dedicated to making sure that sustainability concepts are incorporated into our daily operations and decision-making procedures. This entails providing the required resources to meet our sustainability objectives, encouraging a sustainable culture across the company, and fostering an environment of capacity building on sustainability matters.

The leadership has taken action to fortify the governance structure in order to supervise matters pertaining to sustainability and include ESG factors into risk management procedures. This entails setting up sustainability-related committees and policies in addition to identifying, evaluating, and reducing sustainability risks across all the Group's operations.

Staff as our Key Sustainability Drivers

We continue to support our staff, who are key anchors to our business operations. We organised wellness programmes that saw 5,176 staff members participate in learning programmes, resulting in a total of 390,875 learning hours recorded at the KCB Learning Hub. As part of our commitment to gender diversity, the KCB Women in Leadership Network (WILN) programme saw women represent 43% of our management team and 36% of our Board. This upward trend underscored the Group's commitment to fostering gender diversity and empowering women in leadership roles.

Risk Management and Governance

Our sustainability agenda is based on strong risk management and efficient ▲ governance, which ensures that we conduct our business in a moral and responsible manner to ensure long-term sustenance. To enhance the supervision of sustainabilityrelated matters, we incorporate ESG factors into our decision-making processes and encourage accountability and transparency throughout the company.

Digital Transformation and Innovation

We understand that sustainability is about more than just reducing risks; it is also about seizing chances to innovate, improve our offerings, and set the standard for the financial industry. This is made possible largely by our digital transformation plan, which streamlines our business processes, promotes financial inclusion, and enhances customer satisfaction. To properly evaluate, track, and convey our sustainability performance, we are also utilising technology to improve our sustainability reporting and data management skills.

Recognition in Excellence

Our commitment to sustainability and overall excellence has been recognised through multiple accolades. These awards serve as a testament to our efforts and encourage us to continually strive for higher standards. Among our noteworthy accolades is the Best Sustainable Bank in Kenya, which recognises our role in sustainable banking. This is a recognition we received from the Kenya Bankers Association's (KBA) Sustainable Finance Initiative (SFI) Catalyst Awards 2024, which recognised us for "Promoting Differently-abled Accessibility," being the "Best in Sustainable Finance," and "Promoting Gender Inclusivity," among other accolades.

In conclusion, we are actively working to strike a balance between social responsibility, environmental stewardship, and economic growth through the "Transforming Today Together" strategy. To ensure that we not only provide value to our shareholders but also improve the lives of our customers, communities, and the East African region, our leadership is committed to advancing this agenda.

FCS Dr. Joseph Kinyua, EGH Group Chairman



Today Together" In 2024, the Group

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Our Sustainabili Approach Our Sustainability and Climate-relate Material Issues

Stakeholder Engagement

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Appendice

Reflections from Group CEO

am excited by what all the teams here at KCB have done over the years in mainstreaming sustainability as a guiding principle in everything we do for our stakeholders. The KCB Group brand purpose, "For People. For Better.", lies at the core of our sustainability strategy and reflects our commitment to creating value that benefits all stakeholders. This purpose is closely tied to our customer-focused approach, which motivates us to develop and offer financial solutions that not only satisfy changing client demands but also support a more just and sustainable society. We do this for the People and the Planet, even as we Pursue profits. Additionally, we continue to align our operations with the United Nations Sustainable Development Goals (SDGs) to address critical social and environmental challenges.

Driving Environmental Impact

As a Group, we prioritise environmental sustainability through initiatives such as resource efficiency, waste management, afforestation, and sustainable and green lending. The result of this was a cumulative attainment of 21.32% in total green loans against our total loan portfolio. In 2024, our identified green loans were valued at KShs. 53.2 billion, reflecting our commitment to sustainable finance.

A key milestone in advancing our environmental agenda was KCB Bank Kenya Limited securing a Project Preparatory Facility (PPF) from the Green Climate Fund (GCF) to finalise a full funding proposal for green Micro, Small and Medium Enterprises (MSMEs) products focused on climate-smart technologies. The PPF approval enables KCB Bank Kenya Limited to secure USD 540,000 (approx. KShs. 69 million) from the Green Climate Fund (GCF). This is part of the Bank's broader efforts to secure USD 118.2 million (approx. KShs. 15.5 billion) in funding the Bank is pursuing.



KShs. 53.2 billion

In 2024, our identified green loans were valued at KShs. 53.2 billion, reflecting our commitment to sustainable finance.



60,686

Through the KCB Foundation 2Jiajiri Programme, which provides vocational training and entrepreneurship support, 37,078 businesses were supported and 60,686 jobs were created.



1,386,203 million trees

In 2024, we successfully planted 1,386,203 million trees, and we aim to increase this number to 1.5 million trees in 2025.

A key part of our environmental agenda has been afforestation, where, through the KCB Linda Miti initiative, we collaborate with our branch network and schools that bank with us to plant and grow trees. In 2024, we successfully planted 1,386,203 million trees, and we aim to increase this number to 1.5 million trees in 2025.

Driving Socio-economic Impact

In our efforts to drive social impact, we have implemented social impact programs designed to bring about long-lasting, constructive change in local communities. Our programmes emphasise access to services, education, and economic empowerment. Through the KCB Foundation 2Jiajiri Programme, which provides vocational training and entrepreneurship support, 37,078 businesses were supported and 60,686 jobs were created.

Additionally, through the Foundation, we offer scholarships that support underprivileged students in accessing quality education. A significant milestone achieved in 2024 was the rollout of the students' athletes scholarship programme, supporting talented athletes in dual academic-sports schools.

As part of our social inclusion agenda, digitalisation has been a fundamental component that improves customer access and financial inclusivity. To this end, we made investments in partnerships. We updated our digital products and systems to ensure that customers previously locked out from the financial system have access to digital banking services. We have achieved this by launching products such as the MSME Digital Term Loans and the Worship 360 App for faith-based organisations.

Additionally, a pilot for a Unified Group Mobile Banking Platform was launched to integrate innovative technologies and miniapps for a bespoke banking experience, was conducted. All these efforts saw a 21% surge in digital transactions to 1.3 billion, with mobile channels processing 99% of all KCB transactions.

Measuring Impact and Progress

To assess the effectiveness of our sustainability efforts, we conduct rigorous impact analyses. These analyses help us measure and understand the social, economic, and environmental outcomes of our initiatives.

Our Impact Analysis uses the United Nations Environment Programme Finance Initiative (UNEP FI) Holistic Impact Methodology to ensure alignment with global standards and best practices. This involves a five-phase process. Key highlights from our Impact Analysis revealed that our initiatives had significantly expanded access to essential services, particularly clean energy solutions and financial inclusion programs, exceeding the original targets.

We have also effectively promoted sustainable agriculture and agroforestry systems, contributing to biodiversity conservation and mitigating environmental degradation through initiatives like "Linda Miti". Our support for SMEs has had a positive impact on "Healthy Economies" through employment generation and sector diversification. Our efforts also showed substantive progress in gender equity, community health and safety, and the establishment of strong institutions.

Gap Analysis and Continuous Improvement

In our pursuit of enhanced transparency and alignment with global reporting standards, we conducted a Gap Analysis to assess our current sustainability reporting practices against the IFRS S1 and S2 standards. The analysis showed that our overall alignment with IFRS S1 & S2 disclosure requirements was moderate. We demonstrated strengths in "Conceptual Foundation" and "Risk Management", indicating solid governance and integration of sustainability into risk frameworks. Areas for improvement were identified in "Strategy" and "Metrics & Targets", where we need to better integrate sustainability risks and opportunities into our business strategy, provide more detailed emissions disclosures, and set clearer sustainability targets.

Strategic Priorities for 2025

Looking ahead, we are keen on expanding our green finance portfolio to 25% of the total loan book and actively working to promote green financing opportunities. We will strengthen our climate and nature risk management practices by developing a comprehensive climate strategy and enhancing risk assessment. As part of our social impact agenda, we will focus on enhancing our support for youths, MSMEs and women entrepreneurs by providing increased access to credit and capacity-building programmes.

To ensure enhanced transparency and accountability of our sustainability initiatives, we will continue to improve our ESG reporting processes and streamline our operations to enhance efficiency and transparency.

I thank our employees for their dedication and our customers, partners, and shareholders for their continued support.

Paul Russo, EBS

Group Chief Executive Officer











Our Sustainability Approach

Our Strategy

Impact Analysis

Group's Adopted Goals





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Our Strategy

KCB Group Strategy

Transforming Today Together

CB Group's three-year strategy, 'Transforming Today Together' (2024–2026), is a comprehensive roadmap guiding the Group's operations, growth, and transformation. As the first year of implementation, 2024 marked a critical phase of strategic adaptation. This initiative underscores the Group's commitment to fostering a sustainable, customer-centric, and digitally empowered financial institution while driving socio-economic progress across the region.





Our 2025 ES Outlook

Appendices

Below is an overview of the key strategic pillars and their focus areas.



Customer-centred Value Propositions

In 2024, our commitment to empowering youth and MSMEs, delivering end-to-end value chain solutions, and building strong client relationships, drove innovation that secured our market leadership and significantly enhanced customer experience. This was delivered through the following initiatives:

- Tailored solutions for MSMEs, including financing for Faithbased Organisations (FBOs) and ecosystem banking in Kenya and DRC; digital terms loans; expanded reach via county partnerships; and unlocking KShs. 1.5 billion for 25,000 MSMEs with KCB Foundation in partnership with Mastercard.
- Streamlining school fees (Schoolpay in Uganda), partnering with Edtech (School eBilling in Kenya), and launching the accessible Jikimu virtual wage account for informal workers.
- Mapping journeys to reduce effort; automating key processes (loans, asset finance, bid bonds); piloting a new mobile platform; and implementing biometric security.

Crucially, the "Adopt a Branch" initiative deepened leadership-frontline collaboration, directly addressing local needs. Its success includes: 64% engagement, 95% issue resolution, and 98% satisfaction, which demonstrates the power of connection. This focus on collaboration and tangible results underscores our dedication to sustainable growth and excellence for both customers and employees.

This customer-centric approach is fundamentally intertwined with our sustainability agenda, ensuring that the value we create is inclusive, resilient, and long-term. By designing solutions for underserved segments, such as MSMEs, faith-based organisations, and informal workers, we are actively driving financial inclusion and reducing economic inequality. Our digital innovations, including virtual accounts and automated processes, enhance convenience and promote environmental sustainability by reducing the need for paper-based transactions and branch visits.



Leveraging Our Group Capabilities

In 2024, KCB Group focused on solidifying its leadership in African financial services through three core strategies:

- Optimising regional reach
- · Boosting operation efficiencies
- Accelerating digital transformation

Key to this was creating Centres of Excellence for Enabling Functions to streamline subsidiary support, developing regional corporate client offerings and trade solutions, and building a strong regional Treasury model. Such steps strengthened the Group's pan-African structure.

Operational efficiency surged with the implementation of 52 Robotic Process Automation (RPA) robots, which automated reconciliations, reporting, and payments. This cut costs and freed resources for strategic priorities. Simultaneously, the Group Digital Centre of Excellence launched, embedding agile methods and advanced tech to drive digital transformation and ensure alignment with strategic goals.

KCB Asset Management also grew segregated pension Assets Under Management (AUM) 46% to KShs. 58.4 billion, cementing its fund management leadership. A landmark achievement was the Group's integration with the Pan-African Payment and Settlement System (PAPSS), making it the first East African bank to offer faster, cheaper cross-border payments and access to the continental market, leveraging its century of payment expertise.

These capabilities are the engine for our sustainability agenda. Our optimised regional reach allows us to deploy green finance products across all markets, hence scaling our positive impact. The drive for operational efficiency directly translates into environmental gains, as demonstrated by our 52 RPA bots that automate paper-intensive processes, significantly reducing our resource consumption and carbon footprint. Furthermore, our digital transformation, exemplified by the integration with PAPSS, is inherently sustainable because it eliminates the need for physical transport of documents and funds.

Digital Leadership

The Group leads in digital banking through cutting-edge platforms and robust support, enabling seamless 24/7 customer access. Our solutions prioritise convenience, security, and innovation.

Beyond core offerings like Internet Banking and the KCB Mobile App for secure account management, payments, insurance and loans, we provide corporate governance tools and business solutions, such as KCB One Till. We extend reach through Agency banking and innovate with Virtual Cards, Student Prepaid Cards, and Automated Cash Deposits. Skilled professionals deliver 24/7 multichannel support. The past year's transformative strides, including a Digital Centre of Excellence, MSME Digital Term Loans, the Worship 360 App, and a pilot Unified Banking Platform, catalysed remarkable growth.

Our digital strategy is a core engine for our sustainability agenda. By migrating services online and promoting paperless transactions, we significantly reduce the environmental footprint associated with traditional brick-andmortar banking, such as paper waste and customer travel emissions. Digital channels, such as the KCB Mobile App and Agency Banking, bring unbanked and underbanked communities into the formal economy, empowering them with accessible financial tools.

24/7

We extend reach through Agency banking and innovate with Virtual Cards, Student Prepaid Cards, and Automated Cash Deposits. Skilled professionals deliver 24/7 multichannel support.





Optimising Data and Analytics

KCB Group executes its strategy through data-driven innovation, powered by an integrated data warehouse enabling a 360-degree customer view. This infrastructure ensures robust governance and monetisation while delivering hyper-personalised experiences and operational efficiency.

Decision-driven analytics refine customer offerings through lead generation algorithms, identifying cross- and up-sell opportunities. Digital lending expanded through the use of behavioural scoring and dynamic limit management, thereby improving credit access. Large language models analyse feedback for service improvements.

In 2024, the Group accelerated growth through key initiatives: Automated scoring systems expedited loan appraisals for new and existing clients, while dynamic limit management simplified instant loan access. Sales teams leveraged predictive algorithms to segment customers and prescore them for targeted products, from loans to insurance. Corporate banking utilised early warning dashboards and association rule mining to capitalise on deposit outflow trends, and automated revenue checks optimised income streams using the Group's data reserves.

The data-centric approach is a powerful engine for the Group's sustainability agenda, transforming environmental, social and governance principles from a reporting obligation into a strategic advantage. Furthermore, the same predictive algorithms that identify cross-sell opportunities are deployed to enhance financial inclusion, using alternative data to score previously unbanked populations and offer them tailored, affordable products, thereby democratising access to capital and driving equitable economic growth.

360-degree customer view

KCB Group executes its strategy through datadriven innovation, powered by an integrated data warehouse enabling a 360-degree customer view.

Connecting to the Group Strategy

s KCB Group embarks on its 2024–2026 strategy, Transforming Today Together, the Sustainable Citizen enabler stands as a critical lever in delivering long-term value for all stakeholders. More than a pillar of good corporate conduct, it embodies our commitment to Environmental, Social, and Governance (ESG) principles as a driver of inclusive growth, climate resilience, and shared prosperity across the region.

four strategic pillars: Customer-Centred Value Propositions, Efficient Group Scale, Digital Leadership, and Data & Analytics Optimisation, ensuring that every decision, product, and innovation is guided by responsibility to people, planet, and purpose. From financing green enterprises and MSMEs to embedding ESG due diligence in credit assessments and

The Sustainable Citizen approach is integrated across all A championing community investment through the KCB Foundation, we are aligning operational excellence with sustainable outcomes.

> The Group's sustainability agenda is driven by six core initiatives, carefully chosen to deliver the greatest environmental, social, and economic value across the organisation.





Sustainable **Finance**



Environmental Stewardship



Social



Inclusive Economic Growth



Inclusive Engagement and Accountability



Governance



Governance, Risk and Compliance

1. Sustainable Finance

Green Lending

KCB Group has made bold strides in aligning its lending portfolio with climate goals by embedding green finance into the core of its business strategy. We have developed and rolled out dedicated green products, including clean energy solutions and LPG packages for schools, to support a just energy transition. The ambition is clear: to ensure that 25% of the loan book is dedicated to green lending by 2025. This includes tailored financing solutions for MSMEs, households, and corporates seeking to adopt sustainable practices. Through strategic partnerships with global climate financiers such as the Green Climate Fund, Proparco, International Finance Corporation and British International Investment, the Group is also mobilising capital at scale to accelerate green growth and climate resilience across the region.

Responsible Lending

Responsible lending is central to the Group's credit philosophy, with environmental and social due diligence (ESDD) embedded into lending decisions across the portfolio.

▲ Exclusion and watch lists are also enforced to prevent financing harmful sectors, while ESG advisory services are offered to high-risk clients to support more sustainable business models. Ethical practices guide all engagements, ensuring fair pricing, preventing over-indebtedness, and maintaining transparency. Business teams are equipped with ESG training to strengthen risk assessment and link sustainability factors to portfolio performance. This approach ensures that lending supports inclusive growth without compromising on ethics or long-term impact.





2. Environmental Stewardship

Operational Efficiency

The Group is accelerating its transition toward resourceefficient operations by implementing energy-saving technologies such as LED lighting and smart building systems, and scaling up its branch solarisation programme. We are deploying water-saving solutions and implementing paperless systems across our branches and back-office functions to reduce our environmental footprint further and enhance operational sustainability. The Group monitors its resource consumption on a monthly basis and has set reduction targets for this. Ensuring transparency and accountability, we publish detailed operational emissions data annually in our sustainability report, fostering informed stakeholder engagement.

Tree planting and Growing

As part of our commitment to nature-based climate action, the Group is actively supporting national reforestation efforts through tree planting initiatives across all subsidiaries. These efforts are rooted in strong collaboration with schools, local communities, customers, and conservation partners, creating shared value through environmental restoration and supplier economic empowerment.

Climate & Nature Risk Integration

The Group is progressively integrating climate and naturerelated risks into its enterprise risk management framework to enhance resilience and preparedness. Scenario analysis and stress testing are being applied to assess exposure under various climate futures, supported by the development of internal climate data and modelling capabilities. Aligned with emerging global frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD), the Group has reviewed priority locations and assessing naturerelated risk exposure across its operations. Additionally, there is a deliberate prioritisation of adaptation financing to support climate-vulnerable communities, ensuring that risk management translates into tangible social and environmental opportunities...

3. Inclusive Economic Growth

Financial Inclusion for MSMEs and Underserved

The Group continues to advance financial inclusion by providing tailored credit solutions to MSMEs, as well as youth- and women-led ventures. Beyond access to finance, targeted financial literacy and entrepreneurship programs are equipping young people with the skills to build resilient, future-ready businesses. The expansion of mobile and agency banking networks is also bringing essential financial services closer to underserved communities. Through partnerships, the Group is unlocking green finance opportunities for SMEs and MSMEs, enabling inclusive participation in the transition to a low-carbon economy.

Supplier Diversity

We are committed to promoting supplier diversity through our procurement spend with businesses owned by women, youth, and persons who are differently-abled. This is supported by transparent and inclusive supplier onboarding processes that lower entry barriers and foster equal opportunity. To enhance long-term participation, targeted capacity-building initiatives are offered to special interest group suppliers, strengthening their ability to compete and grow within the Group's value chain.



and Compliance

4. Governance, Risk

Climate & ESG Oversight

Climate and ESG risk oversight is anchored at the highest governance levels, with the Group's Board responsible for reviewing and approving related policies. The Board is dedicated to providing strategic guidance on ESG matters, including the work of the KCB Foundation and sustainabilityrelated initiatives. Environmental, social, and governance risks are systematically integrated into both credit and enterprise risk management systems, reinforcing a holistic approach to risk mitigation. To strengthen leadership accountability and awareness, the Group is continuously training its senior executives and board members on sustainability-related matters.

Alignment with National & Global Frameworks

The Group's sustainability practices are firmly aligned with both national regulatory expectations and global best practices. Key sustainability performance indicators undergo independent external assurance by reputable audit firms, reinforcing data integrity and stakeholder trust. Reporting is guided by the latest global frameworks, including the International Financial Reporting Standards for sustainability, and is further aligned with the Global Reporting Initiative United Nations Global Compact, Task Force Climate-related Financial Disclosures, UNEP-FI Principles for Responsible Banking, and the Net Zero Banking Alliance, positioning the Group as a leader in responsible finance and disclosure.



The Group's sustainability practices are firmly aligned with both national regulatory expectations and global best practices.



5. Inclusive Engagement and Accountability

Reporting Excellence

The Group publishes annual sustainability reports guided by the latest global frameworks to ensure transparency, consistency, and comparability. Climate and nature-related disclosures are aligned with IFRS S2 and the Task Force on Nature-related Financial Disclosures (TNFD), strengthening visibility into material environmental risks and opportunities. To enhance accountability and decisionmaking, data-driven dashboards are utilised to track sustainability performance across key indicators, providing timely insights and enabling continuous progress monitoring.

Internal Capacity Building

The Group actively fosters a sustainability-driven culture by keeping staff informed and engaged through internal platforms, including the intranet, regular training sessions, and newsletters. Sustainability topics are integrated into employee onboarding and development programs to build awareness from the outset. Staff are also encouraged to participate in green campaigns and community volunteering initiatives, reinforcing their role as sustainability ambassadors. At the leadership level, continuous training for the Board and executive team ensures sustained oversight and alignment with emerging ESG priorities.

External Communication & Partnerships

The Group maintains strategic engagement with key stakeholders, including regulators, development financial institutions, and civil society, to shape policy, unlock financing, and drive collective impact. Sustainability milestones and case studies are shared through multi-platform storytelling to enhance transparency, inspire action, and demonstrate value. Additionally, community programs are co-created with local stakeholders to ensure relevance, ownership, and long-term sustainability, reflecting the Group's commitment to inclusive development and shared prosperity.

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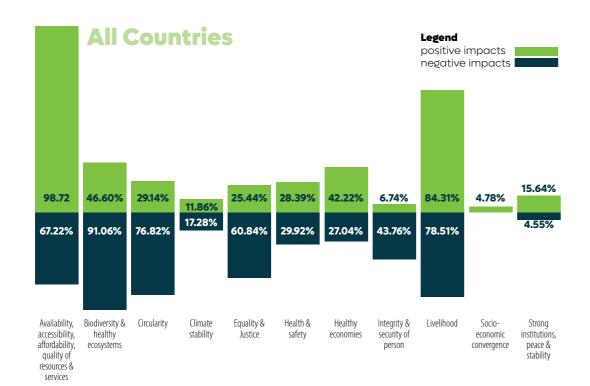
Impact Analysis



CB Group maintains a robust sustainability framework aligned with the United Nations Environment Programme Finance Initiative - Principles for Responsible Banking, with a dedicated focus on Principle 2 (Impact Analysis and Target-Setting). Building on the previous year's foundational impact analysis, the Group conducted a complementary analysis to deepen insights into its environmental and social footprint. Leveraging UNEP FI's Holistic Impact Methodology, the Group employed iterative inputoutput workflows to transition towards modular impact analysis. This approach ensured that the Group's practices align with global standards, such as the United Nations Sustainable Development Goals (UN SDGs). As a catalyst for sustainable development across East Africa, the Group has systematically embedded the UNEP FI framework into its strategy.

Foundational Pillars of Development

The Impact Analysis Tool synthesises country-level performance data across critical socio-economic, environmental, and governance indicators. Expressed in percentage terms, these metrics capture varying degrees of achievement, compliance, and progress in areas vital to sustainable development. The following analysis delves into five high-impact indicators, grounded in the dataset, to uncover key trends and challenges.



Significant Impact Areas Quantifiable Outcomes

Availability, Accessibility, Affordability, and Quality of Resources & Services

Positive Impact: 2023: 97.2%

2024: 98.72%

This improvement demonstrates the Group's exceptional progress in broadening access to essential services, particularly clean energy solutions and financial inclusion programs. Nearing the 100% benchmark signifies the remarkable impact of initiatives such as renewable energy partnerships in underserved regions, which have exceeded original targets. These efforts are complemented by strides in enhancing affordability of critical resources—including microloans tailored for smallholder farmers such as Mavuno Tea Loan—enabling marginalised communities to participate equitably in economic growth. Together, these achievements highlight our commitment to closing accessibility gaps and fostering sustainable, inclusive development.

Biodiversity and Healthy Ecosystems

Positive Impact: 2023: 26.1% 2024: 46.6%

The over 20% increase underscores the effective adoption of sustainable livestock farming and agroforestry systems, including initiatives like Mifugo ni Mali and Linda Miti. By equipping farmers with capacity-building programs, technical assistance, and resources for tree planting, these efforts have mitigated environmental degradation while generating cascading ecological benefits. Complementing this progress, we have amplified biodiversity conservation through strategic interventions such as financing clean energy alternatives like LPG—reducing reliance on wood fuel—and reinforcing ecosystem resilience.

Circularity

Positive Impact: 2023: 24.5% 2024: 29.1%

This performance evaluates the integration of circular economy principles across the Group's supply chain, highlighting key initiatives such as tracking paper waste recycling rates through a strategic partnership with Chandaria Industries which enables the channeling of significant waste away from landfills, repurposing materials.

Equality and Justice

Positive Impact: 2023: 18.7% **2024: 25.4%**

The impact highlights significant strides in gender equity, underscored by a rising proportion of women occupying leadership roles and expanded access to inclusive financial tools, such as FLME's women-value proposition, which tailors services to address systemic barriers faced by women. Alongside these advancements, the focus on community justice is reflected in targeted initiatives such as Sahl Banking, which is rooted in Shariah principles, which form the foundation of our mission to drive financial inclusion while aligning ethical values and offering Shariah-compliant solutions.

Livelihood

Positive Impact: 2023: 53.6% 2024: 84.31%

The impact for Livelihood exemplifies how KCB Group has empowered marginalised groups through vocational training and skills development initiatives such as 2Jiajiri, enabling youth and women to thrive in sectors like agribusiness, technology, and the creative economy. Through its initiatives, the KCB Foundation has created over 60,000 jobs, driving meaningful social and economic development across communities.





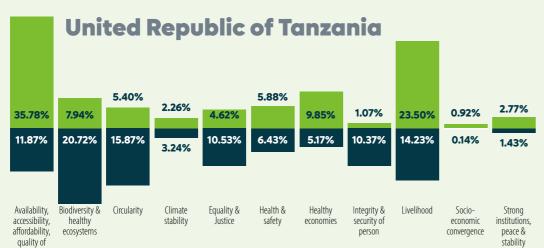
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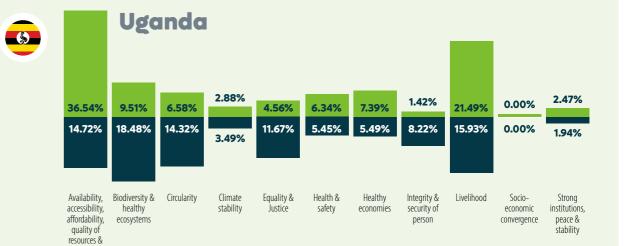


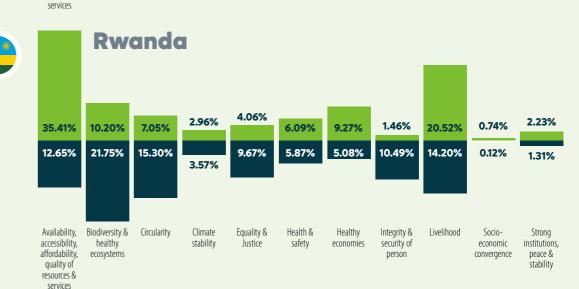












The five East African nations of Kenya, Uganda, Tanzania, Rwanda, and Burundi exhibit distinct socio-environmental profiles shaped by their unique geographic, economic, and governance landscapes.

Below is a country-by-country comparison of the most significant impact areas from the previous year's analysis. As this is Burundi's first impact analysis, it is excluded from the comparison:

		Impact Areas		
Country	Availability, Accessibility, Affordability, and Quality of Resources & Services	Biodiversity & Healthy Ecosystems	Livelihood	Healthy Economies
Kenya	2023: 24.1%	2023: 6%	2023: 12.8%	2023: 8.1%
	2024: 32.2%	2024: 6.8%	2024: 23.7%	2024: 8.7%
Uganda	2023: 23.8%	2023: 7%	2023: 11.6%	2023: 6.9%
	2024: 36.5%	2024: 9.5%	2024: 21.4%	2024: 7.3%
Tanzania	2023: 26.1%	2023: 7.2%	2023: 14.8%	2023: 8.2%
	2024: 35.7%	2024: 7.9%	2024: 23.5%	2024: 9,8%
Rwanda	2023: 23.1%	2023: 5.7%	2023: 14.2%	2023: 8.2%
	2024: 35.4%	2024: 10.2%	2024: 20.5%	2024: 9.2%

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This detailed analysis explores each country's strengths, challenges, and priorities across the significant impact areas, offering a comprehensive view of their developmental trajectories:

Kenya

KCB Bank Kenya Limited's Contributions

The Bank has woven the United Nations Sustainable Development Goals (SDGs) into the fabric of its operations, championing environmental resilience, social equity, and inclusive economic growth. Demonstrating its commitment to SDG 13 (Climate Action), the Bank has pioneered the construction of two fully solar-powered branches, slashing carbon emissions while powering progress. Complementing these efforts is its nationwide afforestation drive, which has seen over 1.3 million trees planted in 2024—a living testament to its pledge to combat deforestation and nurture biodiversity.

Aligned with SDG 12 (Responsible Consumption and Production), the Bank embeds sustainability into its financial DNA by rigorously assessing the environmental and social impacts of all loan facilities and projects. This due diligence ensures that growth never comes at the expense of planetary health. Beyond ecological stewardship, the Bank accelerates SDG 5 (Gender Equality) through targeted women's empowerment programmes, equipping female entrepreneurs with business training, financial literacy, and tools to scale their enterprises. These initiatives dovetail with its robust MSME proposition, which fuels SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation, and Infrastructure) by bridging access to capital and fostering job creation.

Education lies at the heart of our social contract. Through scholarships for underprivileged students, the Bank advances SDG 4 (Quality Education), unlocking opportunities for marginalised youth to thrive in Kenya's evolving economy. Simultaneously, its digital transformation drive—aligned with SDG 9—has revolutionised financial inclusion, with cutting-edge platforms boosting Turnaround Time (TAT) to an average of 1.3 days and expanding access to underserved communities.



1.3 million trees

Complementing these efforts is its nationwide afforestation drive, which has seen over 1.3 million trees planted in 2024—a living testament to its pledge to combat deforestation and nurture biodiversity.



Beyond ecological stewardship, the Bank accelerates SDG 5 (Gender Equality) through targeted women's empowerment programmes, equipping female entrepreneurs with business training, financial literacy, and tools to scale their enterprises.



Uganda

KCB Bank Uganda Limited's Contributions

Our Tax

The Bank empowered 200,000 smallholder farmers—many of whom are located in maize and coffee-growing regions—through tailored seasonal loans for seeds, fertilisers, and irrigation systems. This initiative has boosted crop yields by 30%, directly addressing food security while fostering rural economic growth (SDG 8). Prioritising underserved populations, 45% of our mobile loans are allocated to marginalised communities, dismantling barriers to financial access. This democratisation of credit aligns with SDG 1 (No Poverty) and SDG 9 (Industry, Innovation, and Infrastructure), enabling individuals and micro-enterprises to invest in income-generating activities and build economic resilience. With 85% of staff completing Sustainability e-learning modules, the Bank is building sustainability literacy across the organisation. This commitment to transparency and accountability reinforces SDG 16 (Peace, Justice, and Strong Institutions), ensuring ethical practices permeate all levels of operations.



200,000

The Bank empowered 200,000 smallholder farmers—many in maize and coffee-growing regions—through tailored seasonal loans for seeds, fertilisers, and irrigation systems.



Tanzania

KCB Bank Tanzania Limited's Contributions

The Bank is spearheading a transformative agenda to align its operations with global climate targets and inclusive development. Recognising the intersection of climate action and social equity, the Bank secured a USD 15 million (equivalent to KShs. 1.9 billion) partnership with WaterEquity to enhance water accessibility in underserved rural communities. This initiative directly advances SDG 6 (Clean Water and Sanitation) while addressing systemic poverty (SDG 1: No Poverty) by improving health outcomes and economic opportunities for vulnerable populations.





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Rwanda

BPR Bank Rwanda Plc's Contributions

The Bank systematically identifies and mitigates ESG risks by categorising projects according to their risk profiles and mandating rigorous Environmental and Social Due Diligence (ESDD) screenings. In 2024 alone, the Bank screened loans worth KShs. 5.3 billion for ESG compliance, underscoring its commitment to responsible finance and alignment with SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action). Central to its mission is the BPR Igire Programme, a flagship initiative driving socioeconomic empowerment in line with SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth). Since its inception, the program has generated 485 direct and 259 indirect jobs, with 83 direct and 19 indirect jobs created in the reporting period alone. The MoKash Mobile Banking collaboration with MTN Rwanda provides accessible savings and credit solutions to 2.5 million users, 35% of whom are women, directly advancing SDG 5 (Gender Equality) and SDG 9 (Industry, Innovation, and Infrastructure).

KShs. 5.3 billion

In 2024 alone, the Bank screened loans worth KShs. 5.3 billion for ESG compliance, underscoring its commitment to responsible finance and alignment with SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

2.5 million

The MoKash Mobile Banking collaboration with MTN Rwanda provides accessible savings and credit solutions to 2.5 million users, 35% of whom are women, directly advancing SDG 5 (Gender Equality) and SDG 9 (Industry, Innovation, and Infrastructure).



Burundi

KCB Bank Burundi Limited's Contributions

The Bank has pioneered initiatives that foster inclusive economic growth, gender equality, and climate-resilient agriculture. Central to these efforts is the Bank's focus on empowering women in post-conflict regions, where systemic inequalities and economic fragility persist. Through a transformative group-based lending programme, the Bank has disbursed tailored loans to over 30,000 women. This has enabled them to establish and scale enterprises in tailoring, small-scale farming, and agribusiness. By prioritising financial inclusion for marginalised women—many of whom are primary caregivers and community anchors—the initiative directly advances SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth), while fostering social cohesion in line with SDG 16 (Peace, Justice, and Strong Institutions). Complementing this effort, the Bank has fortified its commitment to SDG 17 (Partnerships for the Goals) through a strategic collaboration with Burundi's Ministry of Agriculture. Targeting the fertile Moso Plains, the Bank funded rice farming cooperatives with training, modern equipment, and sustainable irrigation solutions.



30,000

Through a transformative group-based lending programme, the Bank has disbursed tailored loans to over 30,000 women. This has enabled them to establish and scale enterprises in tailoring, small-scale farming, and agribusiness.



Group's Adopted Goals

CB Group has firmly embedded the United Nations Sustainable Development Goals (UN SDGs) into its operational and strategic framework, leveraging a robust SDG dashboard to monitor and drive progress across its diverse portfolio. This dashboard tracks 14 prioritised SDGs, aligning the Group's initiatives with global sustainability targets while addressing local socio-economic and environmental challenges. This year, we formally adopted UN SDG 3 to strengthen our commitment to health and well-being across our operations and community.

The table below provides a comparative analysis of the Group's performance in 2022, 2023 and 2024.



SDG	КРІ	2022	2023	2024
NO POVERTY	Number of MSMEs lend to	63,514	29,303	73,672 *Kenya - 73,672
	Value of loans extended to groups/ chamas	KShs. 98 million	KShs. 131 million	KShs. 189.6 million *Kenya - KShs. 174.8 millior *Uganda - KShs. 14.8 millio
	Number of groups/ chama accounts	68,350	79,733	118,652 *Kenya - 118,321 *Uganda - 331
	Amount of money disbursed for Inua Jamii programme	KShs. 5.3 billion	KShs. 11.8 billion	KShs. 14 billion *Kenya - KShs. 14 billion
	Number of beneficiaries served through Inua Jamii programme	359,386	442,750	586, 324 *Kenya - 586,324

*KPIs marked with NR for 2022 and 2023 are new and were introduced in 2024.

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NO DO DESCA		CHARACTER CO.	***********	SECTION SECTION SECTION
UN SDG	КРІ	2022	2023	2024
3 GOOD HEALTH AND WELL BEING	Number of staff participating in health wellness checkups	NR	NR	4,346 *Kenya - 4,193 *Uganda - 153
_W₩	Number of health related training sessions conducted	NR	NR	30 *Kenya - 24 *Uganda - 3 *BPR - 3
	Number of staff participating in wellness sports	NR	NR	1,810 *Kenya - 1,765 *Uganda - 45
	Number of staff and their dependents insured on medical cover	NR	NR	21,467 *Kenya - 20,613 *Uganda - 854
	Number of awareness campaigns on mental health conducted internally	NR	NR	75 *Kenya - 70 *Uganda - 3 *BPR - 2
	Number of staff taken through occu- pational health safety trainings	NR	NR	1,584 *Kenya - 626 *Uganda - 20 *BPR - 938
	Number of incidences of OHS happened and reported	NR	NR	38 *Kenya - 34 *Uganda - 4
X DESCRIPTION OF THE PERSON OF		49-01-00-00-00-00-00-00-00-00-00-00-00-00-		TO WHEN THE PROPERTY.
4 QUALITY EDUCATION	Number of school accounts operating with KCB	85,347	114,304	161,306 *Kenya - 160,947 *Uganda - 359
	Value of money operating in KCB accounts	KShs. 10.3 billion	KShs. 9.3 billion	KShs. 15.7 billion *Kenya - KShs. 15.3 billion *Uganda - KShs. 415 million
	Number of Female Students supported under the education scholarship programme in the year	567	640	637
	Number of Male Students supported under the education scholarship programme in the year	710	686	612
W 2008				MALL MALL MALL MALL MALL MALL MALL MALL
THE PERSON NAMED IN COLUMN	Daniel San Published Spirit			
5 GENDER EQUALITY	Number of females who participated in the 2Jiajiri programme training in the year	1,725	2,954	5,710
	Women supported with access to business ownership and financial services	1,790	1,376	9,286 *Kenya - 8,468 *Burundi - 257 *Tanzania - 561 KShs. 138.6 billion *Kenya - 138.6 billion
	Value of loans disbursed under FLME	KShs. 75.3 billion	KShs. 110 billion	KShs. 138.6 billion *Kenya - 138.6 billion
	Number of Women in Leadership Network (WILN)	250	349	349
	Percentage composition of women on the KCB Group Board	33%	33%	36% *Kenya - 40% *Burundi - 30% Tanzania - 50%

*NR means Not Reported

N SDG	KPI	2022	2023	2024
6 CLEAN WATER AND SANITATION	Number of community boreholes sunk	NR	NR	5 *Kenya - 5
Û	Number of households accessing safe and affordable drinking water - from Boreholes sunk	NR	NR	27,315 *Kenya - 27,315
	Number of livestock accessing safe and affordable drinking water - from Boreholes sunk	NR	NR	94,900 *Kenya - 94,900
AFFORDABLE AND CLEAN ENERGY	Number of solarised branches	1	1	3 *Kenya - 1 *Uganda - 2
-0-	Percentage LED lighting in KCB Branch Network	52%	50%	50% *Kenya - 71% *Tanzania - 19%
	Number of schools supported in LPG financing for their cooking needs	24	72	10 *Kenya - 10
	Construction of the Construction of the			
DECENT WORK AND ECONOMIC GROWTH	Number of Mobi Loans disbursed in the year (Kenya)	1 million	1.8 million	1.7 million
	Value of KCB M-Pesa loans disbursed in the year (Kenya)	KShs. 21.5 billion	KShs. 33.4 billion	KShs. 52.5 billion
	Value of Mobi Loans Disbursed	KShs. 21.5 billion	KShs. 33.4 billion	KShs. 31.8 billion *Kenya - KShs. 31.6 billion *Uganda - KShs. 252.4 millio
	Number of new permanent and pensionable employees at year end	178	1,457	1,491
	Number of employees above 35 years group	NR	NR	5,633 *Kenya - 5,369 *Uganda - 134 *Burundi - 130
	Number of jobs created under the KCB 2Jiajiri Programme	4,128	13,352	60,686
	Number of females/ males who participated in the 2Jiajiri Programme training in the year	5,648	6,289	9,699
00000			200100240003	
INDUSTRY, INNOVATION AND INFRASTRUCTURE	Value of loans screened through ESDD (New and Refinancing) Billions	KShs. 270 billion	KShs. 615 billion	KShs. 578.3 billion *Kenya - KShs. 513.9 billion *UG - KShs. 25.1 billion *BPR - KShs. 5.3 billion *TZ - KShs. 24 billion *NBK - KShs. 10 billion
D279888	Value of Agribusiness Loans	KShs. 2.35 billion	KShs. 3.6 billion	KShs. 3.8 billion *Kenya - KShs. 3.8 billion
	Number of Agribusiness Loans	1,779	2,517	2,906 *Kenya - 2,906
	Total Number of Agribusiness accounts opened	NR	NR	177,088 *Uganda - 10 *Kenya - 177,078

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*NR means Not Reported

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Number of male permanent and pensionable employees Number of female permanent and pensionable employees Number of employees who are differently-abled Number of male entrepreneurs supported for entrepreneurship	2022 2,375 1,910 36	2023 4,317 3,672 35	2024 5,751 4,327
pensionable employees Number of female permanent and pensionable employees Number of employees who are differently-abled Number of male entrepreneurs	1,910	3,672	
pensionable employees Number of employees who are differently-abled Number of male entrepreneurs			4,327
differently-abled * Number of male entrepreneurs	36	35	
			37 *Kenya -32 *BPR - 4 *Tanzania - 1
The state of the s	2,235	1,501	16,889 *Kenya - 16,506 *Tanzania - 383
Number of males who participated in the 2Jiajiri programme training in the year	2,686	2,999	3,989
Proportion of Niche (differently- abled, Teen Mothers & FGM) Scholarships Awarded	125	227	505 *Kenya - 500
Board Diversity by age (30 - 50)	3	1	7 *Kenya - 1 *Uganda - 2 *BPR - 4
Board Diversity by age (over 50)	5	5	20 *Kenya - 9 *Uganda - 6 *BPR - 5

Life Assurance	KShs. 1.2 billion	KShs. 1.8 billion	KShs. 1.59 billion *Kenya - KShs. 1.59 billion
Value of Healthcare Insurance	KShs. 813 billion	KShs. 1.3 billion	KShs 1.51 billion *Kenya - KShs. 1.48 billion *Uganda - KShs. 30.7 million
Number of Bancassurance policies written in the year	35,408	53,118	66,410
Value of Bancassurance premiums written in the year	KShs. 4.25 billion	KShs. 5.26 billion	KShs. 6.07 billion
CONTROL MARKET CONTROL		- CONTROL OF THE PARTY OF THE P	TO THE PARTY OF TH
Percentage reduction of electricity energy, water, fuel and paper	7%	17%	4% *Kenya - 5% *BPR - 14.1% *Tanzania - 55%
Percentage LED lighting in KCB Branch Network	52%	50%	19% *Tanzania - 19% *Kenya - 65%
Local vs international spend for supplies : Local spend	KShs. 6.1 billion	KShs. 8.2 billion	KShs. 14.8 billion *Kenya - KShs. 12.3 billion *BPR - KShs. 1.2 billion *Tanzania - KShs. 1.3 billion
International Spend:	KShs. 3.4 billion	KShs. 3.5 billion	KShs. 4.6 billion *Kenya - KShs. 3.5 billion *BPR - KShs. 444.4 million *Tanzania - KShs. 688.1 million
Percentage spent for Special Group Suppliers of the procurement plan	6.1%	7.5%	5.8% *Kenya - 5.7% *BPR - 0.5%
Percentage of suppliers signed up to the code of ethics	53.1%	81.3%	83% *Kenya - 83%
	abled, Teen Mothers & FGM) Scholarships Awarded Board Diversity by age (30 - 50) Board Diversity by age (over 50) Board Diversity by age (over 50) Life Assurance Value of Healthcare Insurance Value of Bancassurance policies written in the year Value of Bancassurance premiums written in the year Value of Bancassurance premiums written in the year Percentage reduction of electricity energy, water, fuel and paper Percentage LED lighting in KCB Branch Network Local vs international spend for supplies: Local spend International Spend: Percentage spent for Special Group Suppliers of the procurement plan Percentage of suppliers signed up to	abled, Teen Mothers & FGM) Scholarships Awarded Board Diversity by age (30 - 50) 3 Board Diversity by age (over 50) 5 Life Assurance KShs. 1.2 billion Value of Healthcare Insurance KShs. 813 billion Number of Bancassurance policies Written in the year Value of Bancassurance premiums WShs. 4.25 billion Wercentage reduction of electricity energy, water, fuel and paper Percentage LED lighting in KCB Branch Network Local vs international spend for supplies: Local spend Michael Spend KShs. 3.4 billion Percentage spent for Special Group Suppliers of the procurement plan Percentage of suppliers signed up to 53.1%	boled, Teen Mothers & FGM) Scholarships Awarded Board Diversity by age (30 - 50) 3 1 Board Diversity by age (over 50) 5 5 Board Diversity by age (over 50) 5 5 Life Assurance KShs. 1.2 billion KShs. 1.8 billion Value of Healthcare Insurance KShs. 813 billion KShs. 1.3 billion Number of Bancassurance policies written in the year Value of Bancassurance premiums Witten in the year Value of Bancassurance policies 35,408 53,118 Witten in the year Value of Bancassurance policies 35,408 53,118 Witten in the year Value of Bancassurance policies 35,408 53,118 Witten in the year Value of Bancassurance policies 35,408 53,118 Witten in the year Value of Bancassurance policies 35,408 53,118 Witten in the year Value of Bancassurance policies 35,408 53,118 Witten in the year Value of Bancassurance policies 35,408 53,118 Witten in the year Value of Bancassurance policies 35,408 53,118 Witten in the year Value of Bancassurance policies 35,408 53,118 Witten in the year Value of Bancassurance policies 35,408 53,118 Witten in the year Value of Bancassurance policies 45,508 53,118 Witten in the year Value of Bancassurance policies 45,508 53,118 Witten in the year Value of Bancassurance policies 45,508 53,118 Witten in the year Value of Bancassurance policies 45,508 53,118 Witten in the year Value of Bancassurance policies 45,508 53,118 Witten in the year Value of Bancassurance policies 45,508 53,118 Witten in the year Value of Bancassurance policies 45,508 53,118 Witten in the year Value of Bancassurance policies 45,508 53,118 Value of Bancassurance 45,508 53,118 Value of Bancassurance 45,508 53,118 Value of Bancassurance 45,508 53,

*NR means Not Reported

Stakeholder Engagement		Our 2025 ESG Outlook	Appendices	
4				
UN SDG	KPI	2022	2023	2024
13 CLIMATE ACTION	Percentage Reduction on Group's overall carbon footprint	- 6.1%	+7.5%	+5%
	Value of Green Loans	KShs. 21.1 billion	KShs. 22.1 billion	KShs. 53.2 billion *Kenya - KShs. 46.9 billion *Uganda - KShs. 4.9 billion *BPR - KShs. 1.4 billion
	Percentage of Green Loans	12.3%	15%	21.32% *Kenya - 21% *Uganda - 7%
	Number of Capacity Building initiatives on Environmental Social and Governance	3.892	3,860	3,767
	Number of trees planted	10,781	314,129	1,386,203 *Kenya - 1.365,371 *BPR - 5,500 *Tanzania - 5,332
	Amount of waste diverted from disposal (Recycled)	13,687	73,890	97,240 *Kenya - 97,240
				LT BURNOUS WHO HERE
16 PEACE, JUSTICE AND STRONG	Number of staff undergoing anti- money laundering Course.	5,512	10,253	7,790
INSTITUTIONS SEED SEED SEED SEED SEED SEED SEED SE	Number of employees who signed Staff Declaration forms	6,285	8,315	8,549
	Number of employees undergoing ethics e-learning courses	5,769	6,667	9,468
	Number of employee engagement forums, e.g. town halls, feedback surveys	153	126	270
	Frustrated Frauds (value)	KShs. 137.5 million	KShs. 362.7million	KShs. 212.9 million *Kenya - KShs. 202.1 million *BPR - KShs. 10.8 million
	Number of Frustrated frauds incidences	113	249	339 *Kenya - 339
	Number of employees who exited due to fraud (direct involvement)	8	11	34 *BPR - 9 *Kenya - 25
	Average Learner days per staff	7.4	3.4	6.1
	Average Learner hours per staff	17.18	43	37.3
17 PARTNERSHIPS FOR THE GOALS	Number of partnerships in KCB Foundation	96	99	20 *Uganda - 8 *BPR - 2 *Burundi - 4 *Tanzania - 6
	Number of active local suppliers	682	651	1,459 *Kenya - 757 *Uganda - 360 *Tanzania - 342
	Value of micro deposit mobilisation	KShs 5.3 billion	KShs. 42.5 billion	KShs. 50.2 billion *Kenya - KShs. 50.2 billion

*NR means Not Reported













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Our Sustainability and Climate-related

Outlook

aterial issues represent topics of critical importance to both our stakeholders and the long-term success of our business. At KCB Group, we prioritise a rigorous, biennial review of these matters, with our most recent assessment conducted in 2022. During this reporting period, we undertook a comprehensive materiality analysis, engaging extensively with internal and external stakeholders to identify and prioritise key topics that shape our strategic focus and operational decisions.

Our assessment followed the double materiality framework, which evaluates two interconnected dimensions.



Financial materiality:

How external environmental, social, and governance (ESG) factors influence the Group's performance and resilience.

Impact materiality:

How our business activities affect stakeholders, society, and the environment. This dual lens ensures we address both financial risks and opportunities as well as our broader societal footprint.

The process unfolded in four structured phases to ensure thoroughness and inclusivity:



Defining Scope and Boundaries

The assessment spanned all seven countries in which the KCB Group operates: Kenya, Uganda, Tanzania, Rwanda, Burundi, the Democratic Republic of the Congo, and South Sudan. This geographic breadth allowed us to evaluate impacts and risks across our entire operational footprint, capturing regional nuances and aligning with our commitment to inclusive, pan-African banking.

Stakeholder Engagement

We engaged a diverse cross-section of stakeholders, including employees, suppliers, customers, and the communities we serve. A targeted materiality survey was conducted among 38 respondents across the subsidiaries. Their perspectives were instrumental in identifying priorities, ensuring our material topics reflect both internal priorities and external expectations.

Identifying Impacts, Risks, and Opportunities

Drawing on sector-specific insights, we mapped key sustainability issues relevant to the financial industry. The materiality survey assessed the severity and likelihood of each kev Sustainability issue. This data-driven approach enabled us to quantify risks, such as climate change or regulatory shifts, while highlighting opportunities in areas like digital innovation and financial inclusion

Determining Materiality

The final phase evaluated how these sustainability issues intersect with the Group's financial performance and longterm value creation (financial materiality) and our broader societal and environmental impact (impact materiality). By synthesising these insights, we identified the most material topics those with significant implications for both our stakeholders and our business strategy.

Our Materiality Assessment Concept

Guided by our Group's dedication to sustainable growth ▲ To ensure a holistic evaluation, we methodically analysed and responsible business practices, we undertook a rigorous materiality assessment to determine which environmental, social, and governance (ESG) factors hold the greatest significance for the Group's long-term success and stakeholder expectations. This process enabled us to pinpoint and prioritise issues that directly influence operational resilience, ethical accountability, and value creation.

each material topic through the lens of three interconnected dimensions: Environmental (e.g., climate resilience, resource efficiency), Social (including financial inclusion, community well-being), and Governance (such as transparency, regulatory compliance). For every topic, we assessed its tangible impacts on business continuity, associated risks to reputation and operational stability, and potential opportunities to innovate, strengthen trust, and drive sustainable outcomes.

ESG Framework Material Topics Impacts, Risks and Opportunities **Environmental Stewardship** Green Lending Environmental Resource Efficiency Waste Management · Renewable Energy Adoption Climate Action · Environmental Conservation · Sustainable Investment Screening Biodiversity Protection · Climate Adaptation and Mitigation · Cost Management **Operational Efficiency** • Branch and Channel Optimisation Energy & Resource Efficiency · Supply Chain Management · Reduction in Non-Performing Loans Social **Customer Excellence** · Customer Satisfaction and Experience Service Accessibility and Inclusivity · Product Innovation and Customisation · Digital Transformation and Cyber Security Transparency and Fair Pricing · Financial Education and Engagement **Financial Inclusion** · Accessibility and Affordability Financial Literacy • Inclusive Product Development Regulatory and Policy Alignment Economic Empowerment and Entrepreneurship **Community Action** · Education and Skills Development Sustainable Livelihoods and Job Creation Social Impact Investments Strategic Partnerships **Employee Welfare** Training and Development Succession Planning Gender Parity · Employee Engagement and Well-being Workplace Safety Digital Leadership Digital Financial Services · Innovation for Competitive Advantage Process Efficiency Data-driven Decision-Making **Risk Management** • Financial RIsks (Credit, Liquidity, Market, Operational, Reputational) Governance • Environmental Risks (Climate Change, Regulatory Compliance) · Social Risks (Financial Inclusion, Customer Protection, Human · Governance Risks (Board Oversight, Compliance, Cybersecurity) **Regulatory Compliance** · Data Protection Product Approvals · Risk-Based Pricing Customer Screening

Our Sustainability and Climate-related

Materiality Analysis

Our materiality assessment, informed by Tableau analysis of survey responses, enabled us to identify and prioritise key issues most critical to the Group's operations and stakeholder expectations.

These material issues include:



Welfare



Stewardship



Leadership



Action



Excellence

To determine their relative importance, we ranked these | The outcomes of this assessment are visually represented issues based on their significance to both the Group and our stakeholders. Established thresholds and qualitative cutoff points were applied to assess which topics have a substantial impact, whether financial, operational, or reputational, that warrant disclosure and strategic focus.

in the Materiality Matrix below, providing a clear illustration of how these issues align in terms of stakeholder concern and business impact. The top-right corner of the right matrix identifies material topics with a strong correlation between impact materiality and financial materiality, as their scores exceed the established thresholds in both dimensions.



Impactful Action for **Sustainable Growth**

t KCB Group, our people are at the heart of our success. As we navigate an evolving financial landscape, we remain committed to fostering a diverse, inclusive, and highperforming workforce that drives sustainable growth.



Our Strategic Interventions

A. Employee Value Proposition

At KCB Group, our people are at the heart of our long-term success. As we continue to navigate a dynamic financial landscape, we remain committed to fostering a diverse, inclusive, and high-performing workforce that drives sustainable growth across our markets. Our approach to employee welfare is anchored in a strong employee value proposition, progressive policies, robust governance structures, and a future-focused human capital strategy.

We offer a competitive and responsible employee value proposition designed to attract, motivate, and retain top talent. In 2024, the Group achieved a staff attrition rate of 6.2%, down from 7.9% in 2023, reflecting the effectiveness of our people-first approach. Fairness and equity in remuneration remain a core principle, supported by structured annual salary reviews, performance-based bonuses, and recognition of exceptional teams and individuals through initiatives like the Simba Awards.

Our 2024 Human Capital strategy is anchored on four key pillars: competitive employee value proposition, safe and ethical workplace, career progression and training opportunities, and job security and strong leadership. These pillars guide the creation of an enabling and empowering work environment, one that values innovation, nurtures talent, and supports career progression. The Group-wide Organisational Health Index (OHI) survey and resulting culture transformation initiatives have significantly improved team engagement and leadership visibility, further reinforcing our commitment to workplace wellness and inclusion.

To ensure our workforce is future-ready, we implement a transparent annual Training Needs Analysis (TNA), endorsed by functional leaders to guide investment in learning and development. Internal capacity is strengthened through initiatives such as the Leadership Academy, which focuses on emotional intelligence, multigenerational management, and strategic problem-solving. In partnership with global institutions like Amazon Web Services (AWS) and LRMG, we also offer specialised certification programmes, particularly targeting women, to support digital skills development and alignment with the Group's transformation agenda.

Our Sustainability and Climate-related

Succession planning is institutionalised across the Group and reviewed monthly at divisional levels and quarterly by the Executive Committee (ExCo) Talent Board. This structured process ensures leadership continuity and prepares our teams to respond effectively to emerging challenges. Our leadership development programme for line managers is designed to cultivate adaptable and collaborative leadership across generations and geographies.

We offer a competitive and responsible employee value proposition designed to attract, motivate, and retain top talent.

B. Adopt a Branch Initiative

KCB Group successfully launched the "Adopt a Branch" initiative, a foundation of our strategy. This initiative focused on pairing each of our branches in Kenya with a member of the Group Leadership Committee and senior management. This model of shared leadership and close engagement fostered a stronger connection between top leadership and frontline teams, helping drive collaboration, innovation, and localised problem-solving. As a result, 64% of branches were actively engaged, achieving a 93% issue closure rate and a 98% staff satisfaction rate. The initiative empowered teams, reinforced accountability, and created a pathway for sustainable service excellence. Our goal for 2025 is to extend this initiative to all branches and conduct follow-up sessions by the end of Q4 to ensure continuity and deepen its impact.

The initiative was delivered by the senior leadership team adopters through the following actions.

Branch Champion

- · Act as the face of the Bank for the adopted branch, fostering a strong connection with both customers and branch staff.
- · Provide strategic guidance, leveraging their expertise to enhance the branch's performance.
- · Ensure alignment of branch goals with the broader organisational strategy.

Routines with Branches

- Regular on-site visits to the adopted branch.
- Participation in branch meetings, events, and customer
- In-depth reviews of branch performance metrics and financials.





development opportunities, offering specialised training in

regulatory compliance, audit practices, and human resource

The Group remains steadfast in its commitment to amplifying

the core tenets of the WILN programme, ensuring gender

inclusivity remains embedded at every organisational level.

This vision is further reinforced by the ongoing execution of

the Group's Diversity and Inclusion Policy, a comprehensive

roadmap designed to cultivate a workplace culture that values

diversity, equity, and belonging. By aligning short-term milestones

with long-term aspirations, the Group aims to sustain this

momentum, fostering an environment where women not only

ascend to leadership roles but thrive within them—a testament

to its enduring dedication to shaping an inclusive future.

management to empower women across career stages.

Our Sustainability and Climate-related **Material Issues**

Outlook

C. Our Multi-Tiered Approach for Enhancing Workplace Safety

Our approach to safety compliance integrates leadership accountability, independent verification, workforce empowerment, and proactive risk mitigation into a cohesive operational framework. Anchored by executive governance and reinforced through systematic validation processes, this model cultivates a culture where safety consciousness permeates every organisational layer.



Leadership Accountability as a Cultural Cornerstone

Safety stewardship begins at the executive level through two interlocking mechanisms. The Occupational Safety & Health (OSH) Steering Committee, led by C-suite leaders, conducts quarterly strategic reviews of incident trends, audit outcomes, and safety investments, directly tying departmental performance metrics to budgetary decisions. This governance structure is operationally reinforced through sporadic Executive Safety Walkthroughs. Leadership teams engage frontline staff during facility inspections - a practice that surfaces latent risks like machinery maintenance gaps, while demonstrating visible organisational commitment



Competency Development Framework

Workforce preparedness is achieved through tiered education programmes. Safetycritical roles undergo specialised certifications. These include fire marshals master suppression system operations, first aiders train in AED deployment and hemorrhage control, while OSH representatives learn advanced incident investigation techniques using TapRooT® methodologies. Organisation-wide biannual modules address evolving risks through scenario-based learning – recent sessions focused on lithium battery safety and hybrid work ergonomics.



Participatory Hazard Management

Grassroots engagement mechanisms transform employees into safety stakeholders. Cross-functional safety committees conduct quarterly "Find & Fix" audits, systematically addressing issues from improperly stored materials to ventilation concerns. A psychological safety infrastructure supports this through anonymous digital reporting channels that have increased near-miss disclosures by 37% year-over-year, with trend analysis feeding directly into preventive maintenance schedules.



Integrated Incident Response Architecture

Our Operational Risk System serves as the nexus for safety event management, automatically routing incident reports to relevant teams through predefined workflows. Security Team initiates evidence gathering, Facilities Team triggers equipment inspections, and HR coordinates witness interviews - all synchronised through a centralised dashboard that tracks case resolution against SLA benchmarks.



Predictive Safeguards

Preventive protocols are embedded into high-risk operations through mandatory Job Hazard Analysis (JHA) protocols for activities like confined space entry. Predictive analytics extend to ergonomic design, where individual workstations are optimized using body-mapping software, reducing repetitive strain injuries by 22% in pilot departments.

A psychological safety infrastructure supports this through anonymous digital reporting channels that have increased near-miss disclosures by 37% year-overyear, with trend analysis feeding directly into preventive maintenance schedules.

Our Operational Risk System serves as the nexus for safety event management, automatically routing incident reports to relevant teams through predefined workflows.

D. Advancing Gender Diversity and Inclusion

The recent rise in female representation across the A These collaborations have enriched professional organisation highlights the transformative impact of the Women in Leadership Network (WILN) programme, launched by the Group in 2015/16 to advance gender equity. When the initiative began, women comprised 42% of the workforce, held 38% of management roles, and accounted for just 28% of senior leadership positions. Nearly a decade later, the figures reflect steady progress: women now make up 45% of all employees, 43% of management roles, and 26% of senior leadership positions. While the journey toward parity continues, this upward trajectory underscores the efficacy of targeted strategies under the WILN programme, including structured mentorship frameworks, leadership development academies, and partnerships with organisations such as ISACA (Information Systems Audit and Control Association) and the Institute of Human Resource Management (IHRM).



The recent rise in female representation across the organisation highlights the transformative impact of the Women in Leadership Network (WILN) programme, launched by the Group in 2015/16 to advance gender equity.

When the initiative began, women comprised 42% of the workforce, held 38% of management roles, and accounted for just 28% of senior leadership positions. Nearly a decade later, the figures reflect steady progress: women now make up 45% of all employees, 43% of management roles, and 26% of senior leadership positions.





Our Sustainability and Climate-related Material Issues

Case Study:

Employee empowerment through training

From Sales to Strategy: How Lorna Makau Cheruiyot **Embodies People-First** Transformation Journey

orna Makau Cheruiyot is a senior manager in the Shared Services Division. She joined KCB in 2008, starting in sales and progressively advancing through different roles including customer experience.

Currently, Lorna focuses on automating processes, creating Standard Operating Procedures (SOPs), and improving customer and employee experiences.

A Journey of Growth

Her role involves transforming customer journeys through innovative solutions, particularly in the digital centre of excellence supporting robotics and automation.

"I find joy in creating shorter, simpler customer journeys and developing SOPs that make processes more efficient. My passion lies in looking at the entire transformation process and seeing the tangible impact of my work. - whether it's improving employee experience or making customers' interactions easier," said Lorna.

She particularly enjoys being able to step back and recognise the positive changes she has implemented, which ultimately simplify and enhance both staff and customer experiences at the Bank

Lorna grew from a salesperson to a senior manager, embodying the Bank's commitment to employee development and continuous improvement.

The Impact of Mentorship and Self-Discovery

In 2015, Lorna joined KCB Women in Leadership Network (WILN) mentorship program. Despite initial challenges like mentors leaving the Bank, the programme has been highly impactful for her. She said over the years, she has had excellent mentors who helped her learn, unlearn, and relearn important skills

"The programme made me more self-aware, helped me appreciate my personality and those of my colleagues, and enabled me to create more cohesive teams," she said.

Through coaching and mentorship, she gained clarity on her professional focus. Additionally, the program empowered her to become a mentor herself, helping other professionals grow in their careers, just as she has grown through various roles

She, however, pointed out that her key challenge was finding time for mentorship amid competing work demands, but she learned to be intentional about her professional development.

Embracing the "Connected" Value for Holistic Impact

Lorna resonates most with the value of "Connected". For her, connectedness goes beyond digital interactions and offers



The programme made me more self-aware, helped me appreciate my personality and those of my colleagues, and enabled me to create more cohesive teams," she said.

a lifestyle enhancement for customers. "I believe this value helps employees connect across different teams, embodying the principle that when people work together, they achieve

The "Connected" value speaks to her because it enables KCB to offer more than just banking services, creates stronger internal employee relationships, allows for transforming both staff and customer experiences, and promotes a collaborative work environment

Lorna sees this value as a powerful tool for creating meaningful connections that extend beyond traditional banking, ultimately helping KCB transform lives and create better experiences for both employees and customers.

Lorna's interpretation of "Connected" is about building relationships, fostering teamwork, and creating holistic solutions that benefit everyone involved.

Her message to young people joining KCB is that "KCB is like an oyster" full of opportunities waiting to be discovered. She advises young professionals to stay focused, be willing to learn, be courageous, and bring their best effort.

Lorna's message is that if young professionals do these things, "all other things will just fall in place."

According to her, KCB provides a wide range of opportunities for those who are proactive, eager to learn, and willing to put in the work. "By being open, committed, and brave, young professionals can grow and transform their careers within the organisation"

She emphasised that KCB is about "transforming lives" and is fundamentally "For People. For Better." and invited young talent to be part of this meaningful journey.

E. Ensuring Knowledge Transfer and Leadership Development

strategic vision cohesively across all subsidiaries, entities, and staff levels. This model translates high-level strategy into actionable themes, pillars, projects, and initiatives, ensuring alignment at every organisational tier. By embedding strategy execution into daily operations, the Group cultivates a culture of shared accountability, accelerates knowledge transfer, and fortifies leadership continuity. Employees advance through clearly defined career pathways, evolving from operational roles to leadership positions within diverse functions and entities. This progression not only empowers individual professional growth but also sustains organisational resilience by nurturing leaders who embody the Group's long-term vision and strategic priorities.

The Group has implemented a fully integrated ▲ To amplify this framework, the Group has launched operating model designed to cascade its a Leadership Program tailored for line managers at every tier. The initiative equips leaders to navigate multigenerational workplaces by fostering adaptable leadership styles that harness diverse strengths. Through intergenerational collaboration and mentorship the program empowers leaders to inspire teams, drive engagement, and accelerate development—key drivers of sustained organisational success.

> Complementing this effort, the Group maintains rigorous succession planning processes to identify and groom future leaders. Potential successors undergo systematic assessments of their readiness, with targeted interventions addressing skill gaps. This proactive approach ensures a robust leadership pipeline, aligning talent development with strategic imperatives.

Training efficacy is meticulously tracked using the Kirkpatrick Model. Recent data highlights strong outcomes:

Reaction (Level 1): 90% of participants affirmed the relevance of training

to their roles.

Learning (Level 2): Over 70%

demonstrated measurable knowledge gains Behavior (Level 3): Supervisors observed a **50%+** application rate of newly acquired skills

Impact (Level 4): Tangible business results, such as increased treasury sales volumes post-Masterclass training and reduced credit appraisal errors following IFRS 9

training, validate the return on investment.



Strategic upskilling remains central to these efforts. Initiatives like Certified Business Analysis Professional (CBAP) training enhance data-driven decision-making, while Agile Product Owner certifications accelerate the delivery of digital transformation projects. Together, these programmes ensure that workforce capabilities evolve in lockstep with the Group's ambitions, reinforcing its competitive edge and long-term sustainability.

At the core of our Group's achievements is a steadfast commitment to nurturing a workplace where every individual thrives. We prioritise the holistic well-being of our employees—physical, mental, and social—through thoughtfully designed programmes that empower our teams and fuel sustainable growth.

Holistic Well-being

Our annual health check-ups, launched in July 2024, underscore our proactive approach to healthcare, enabling early detection and prevention of health issues. Complementing this, our Chronic Disease Management Programme (CDM), provides structured medical and emotional support to over 200 employees and their dependents navigating chronic conditions, ensuring they never face these challenges alone.

Beyond physical health, we foster camaraderie and resilience through initiatives like Wellness Interbank Sports. In 2024, 365 employees participated in the Kenya Interbank Sports, with KCB Bank Kenya Limited earning 3rd place overall—a testament to teamwork and dedication. Similarly, our support for parents raising children with special needs offers a sanctuary for connection and growth. Through professionally facilitated group therapy sessions, parents find solidarity and strength in shared experiences.



Mental health remains a priority, anchored by wellness talks like The Voice of Resilience, which equip employees with tools to manage stress and build psychological resilience. Rounding out these efforts, our Employee Assistance Programme (EAP), delivers confidential support for challenges ranging from financial stress to addiction, ensuring timely interventions that uplift both personal and professional lives.

Complementing this, our **Chronic Disease Management** Programme, (CDM), provides structured medical and emotional support to over 200 employees and their dependents navigating chronic conditions, ensuring they never face these challenges alone.

Agility and Innovation

In parallel, we embrace agile methodologies and cutting-edge technologies to stay ahead in a rapidly evolving landscape. By integrating Scrum frameworks and Al-driven tools, we enhance predictive analytics, automate workflows, and empower data-driven decision-making. This technological backbone is bolstered by strategic initiatives:

Establishing Centres of Excellence to cultivate expertise and best practices across key functions.

Training teams in agile models to foster flexibility, efficiency, and cross-functional collaboration.

Recruiting talent with complementary skills to enrich



Harmonising **Technology and** Humanity

Crucially, our Group HR and IT teams collaborate to balance innovation with human-centric values. This synergy ensures operational efficiencies while preserving the irreplaceable role of human insight. creativity, and connection. Together, these efforts create an ecosystem where wellbeing and agility coexist-propelling our Group toward sustained excellence and adaptability in an ever-changing world.

G. Cultural Alignment Post-Mergers & Integration Strategies

The Group's recent acquisition and integration of BPR Bank Rwanda Plc and TMB have provided critical insights into the complexities of organisational transformation. These experiences underscored the necessity of rigorous change management and meticulous planning to ensure seamless transitions while maintaining agility in evolving markets. Key lessons from this journey have catalysed strategic refinements across several areas, including heightened sensitivity to geopolitical and local market dynamics, crosscultural collaboration, and fostering alignment between leadership and operational teams.

Outlook

Central to these efforts is the prioritisation of cohesive decision-making, transparent communication, and proactive employee engagement. By actively soliciting feedback and embedding inclusivity into every phase of integration, the Group has cultivated a culture of continuous improvement. These principles now serve as the foundation for broader organisational initiatives aimed at sustaining long-term growth and adaptability.



To institutionalise these values, the Executive Leadership Team has launched a Human-Centred Leadership Programme, designed to nurture a leadership ethos rooted in trust, empowerment, and collective accountability. The program's objectives focus on:

Inclusive leadership that fosters shared ownership and responsibility

Empowering environments where employees thrive, bolstering Group through a trust and unity

Cohesive, aligned leadership across the unified vision

Servant leadership practices that unlock employee potential

Collaborative competencybuilding to achieve organisational goals

Systematically embedding Trust, **Empowerment**, and Autonomy (TEA) at every leadership level



Complementing this initiative, the KCB Leadership Program is 🛕 To gauge progress, the Group conducts biennial Organisational being implemented across all tiers of leadership—from new hires to seasoned executives—to accelerate a cultural shift toward empathy, collaboration, and transparency. This dual approach ensures that people-centric principles permeate every level of the organisation, driving healthier workplace dynamics and enhanced performance.

To gauge progress, the Group conducts biennial Organisational Health Index (OHI) surveys, the backbone of its culture-transformation strategy. The OHI evaluates engagement, identifies improvement areas, and tracks progress toward a resilient, high-performance environment.

Health Index (OHI) surveys, the backbone of its culturetransformation strategy. The OHI evaluates engagement, identifies improvement areas, and tracks progress toward a resilient, high-performance environment. In 2023, the Group achieved an OHI score of 80, reflecting strides in aligning culture with strategic goals. Building on this momentum, the target for the current cycle is 82, reinforcing the commitment to fostering an inclusive, adaptive, and thriving workplace.

In 2024, the Group initiated efforts to support internal culture transformation aligned with the Group's Employee Value Proposition (EVP). While the full campaign is under development, the foundation has been laid for a comprehensive internal brand initiative designed to inspire staff engagement, foster a sense of ownership, and align employees with the Group's long-term mission. This program will be a strategic focus in 2025, signaling the Group's commitment to internal sustainability and cultural alignment.

our dynamic workforce.

A. Our People

between 2023 and 2024, characterised by a notable 16.1% increase in total employee headcount—rising from 10,417 to 12,090. This growth was accompanied by key shifts, including a surge in full-time employment, reduced turnover, and strategic refinements in recruitment and training. Gender diversity saw marginal improvements, while age demographics reflected a

Additionally, capacity-building initiatives became more targeted, and participation in wellness programs increased. This report offers a detailed examination of workforce metrics, comparative trends, and strategic insights to guide future decision-making

a. Our Workforce Composition

Male employee numbers grew faster (21.5%) than female (9.9%), largely due to a 33.2% increase in full-time male roles. While fulltime positions for both genders rose, parttime roles declined more sharply for males (-20.7%) than females (-13.7%), reflecting a steady female presence and a Group-wide shift toward full-time employment.



5,515 to **6,701 5,389** from 4,902





Breakdown of Our Workforce	2023	2024
Total Number of Employees • Full Time Employees • Part Time Employees	10,417 ⋅ 7,989⋅ 2,428	12,090
Total Number of Male Employees • Full Time Male Employees • Part Time Male Employees	5,515 • 4,317 • 1,198	6,701
Total Number of Female Employees • Full Time Female Employees • Part Time Female Employees	4,902 • 3,672 • 1,230	5,389
Total Number of New Hires Male Hires Female Hires	2010 • 1,140 • 870	1491 ⋅ 833 ⋅ 658 ▼
Total Number of Promotions Male Promotions Female Promotions	759 • 458 • 301	627
Total Number of Exits	828	511
Overall Employee Turnover Rate	7.9%	6.2%
Number of Employees who took Voluntary Early Retirement (VER)	362	3
Total Number of Interns	191	28
Number of Employees who belong to union	889	1,007

BPR Bank Rwanda Plc

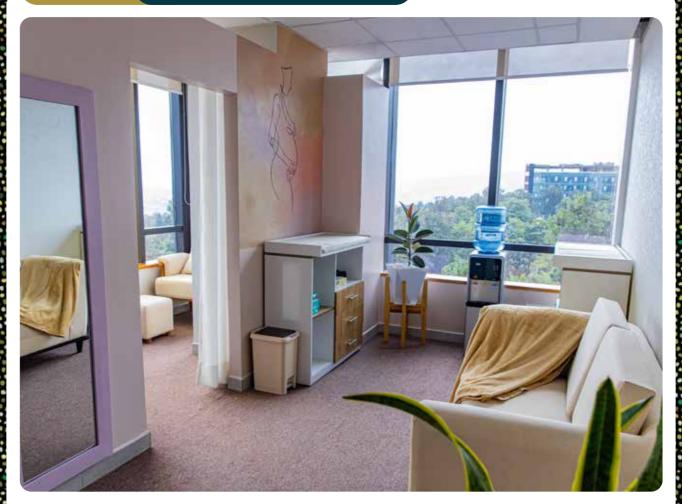
BPR Bank Rwanda Plc stands as a beacon of diversity and inclusion, with women constituting 48% of its workforce and 38% of its board members—a testament to its commitment to equitable representation. Further reinforcing this ethos, the Bank has employed four differently-abled individuals, underscoring its dedication to fostering an inclusive workplace. A total of 25 taskforce members representing all departments were trained for about 12 hours each in two separate training sessions.

Engagement

Outlook

Case Study:

Building an inclusive workplace



How BPR is Supporting Mothers at Work

CB Group has provided a dedicated Mothers' Rooms 🛦 Backed by Progressive Workplace Policies to support our female staff members who are nursing. Here is how BPR Bank Rwanda Plc is aligning with the initiative. At BPR, fostering an inclusive and supportive work environment is about meeting the real needs of employees. In 2024, the Bank launched a dedicated Mothers' Room at its headquarters, marking a significant milestone in its commitment to gender inclusion, work-life balance, and employee wellbeing.

A Thoughtfully Designed Space for Working Mothers

The Mothers' Room provides a private, hygienic, and welcoming space where nursing mothers can comfortably express breast milk or breastfeed during working hours. Designed to uphold dignity and privacy, the room addresses a common challenge faced by many women returning to work after maternity leave—how to continue breastfeeding while meeting their professional responsibilities.

Promoting Inclusion, Retention, and Wellbeing

BPR understands that supporting mothers isn't just the right thing to do—it's smart business. The initiative helps women balance the demands of motherhood and career, leading to higher employee satisfaction and improved staff retention. By creating a more accommodating workplace, the Bank is also encouraging broader gender inclusion across all levels of the organisation.

The launch of the Mothers' Room is part of BPR's broader strategy to implement gender-responsive and familyfriendly policies. It aligns with national labor standards and global practices that promote maternal health, support breastfeeding, and uphold diversity in the workplace.

Through the Mothers' Rooms, KCB Group is not only addressing a critical workplace need but also nurturing a culture of care, equity, and empowerment. This initiative reflects the Bank's dedication to socio-economic development by empowering women to thrive both at home and at the workplace.

The Mothers' Room provides a private, hygienic, and welcoming space where nursing mothers can comfortably express breast milk or breastfeed during working hours.



Outlook

The workforce increasingly concentrated in prime working age groups. Employees aged 21–30 grew by 11.8% (from 3,550 to 3,968), while those aged 31–40 increased by 11.9% (from 4,150 to 4,642). Conversely, younger employees (18–20 years) declined by 66.7%, and the 51–60 age group saw a 26.8% rise, suggesting a focus on mid-career professionals while retaining experienced talent.

Recruitment efforts saw a significant downturn in 2024, with total new hires dropping by 33% (from 2,010 to 1,346). Full-time hires fell sharply by 52.9%, while part-time hires decreased by a more modest 13.5%. Male hires declined by 36.8%, and female hires by 28.2%, reflecting a potential consolidation strategy or improved retention reducing the need for external recruitment.

Attrition rates improved markedly, with total exits decreasing by 38.3% (from 828 to 511) and the turnover rate dropping by 40% (from 10.36% to 6.2%). Notably, voluntary early retirement (VER) plummeted by 98.6%, with only three employees opting for VER in 2024 compared to 211 the previous year. This drastic reduction signals policy adjustments and heightened workforce satisfaction.

Group Headcount by Age	2023	2024
18-20 years	6	2
21-30 years	3,550	3,968
31-40 years	4,150	4,642
41-50 years	2,081	2,692
51-60 years	620	786

Age Breakdown of New Hires	2023	2024
18-20 years	4	0
21-30 years	1391	940
31-40 years	504	309
41-50 years	82	87
51-60 years	12	10

c. Promotions and Career Development

Promotions dropped by 17.4% (from 759 to 627), with male promotions outpacing females—decreasing by 23.4% (from 458 to 350) compared to a 7.9% decrease in female promotions (from 301 to 277).

Additionally, promotions in mid-level grades (such as MLA) fell by 10.6%, due to restructuring and stricter performance criteria. Two promotions at the clerk level, up from zero in 2023, suggests incremental opportunities for junior staff.

Promotions Per Grade	2023	2024
Clerk	253	18
Section Head	2	30
MLA	283	259
MLB	131	181
MLC	62	93
MLD	18	34
MLE	7	7
MLF+	3	5



38.3%

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98.6%

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66

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17.4%

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d. Capacity Building and Training

Engagement

Completed courses dropped by 49.9% (from 4,053 to 2,032), and learning hours decreased by 9.1% (from 430,130 to 390,875). Female staff outperformed male staff in learner hours per staff (40.36 vs. 34.36), underscoring their engagement in professional development.

Key programmes included the Retail Academy, which trained 277 administration managers in operational excellence; the Leadership Academy, which equipped 259 leaders with skills in emotional intelligence and strategic alignment and the Certified Business Analysis Programme (CBAP), which upskilled 38 analysts in data-driven decision-making. These targeted efforts reflect a strategic focus on leadership and technical competencies.

Capacity Building Categories	2023	2024
Total Number of Completed Courses	4,053	2,032
Total Number of Learning Hours	430,130	390,875
Average Learner Hours per Staff • Male Staff • Female Staff	41.09 • 39.63 • 42.59	37.34 • 34.36 • 40.36



277

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Case Study

Closing the gender gap



KCB Bank Uganda Limited

In 2024, the Bank demonstrated a strong commitment to staff development by delivering 87 specialised training sessions for its workforce. A total of 537 employees participated in these initiatives, collectively completing 684 hours of professional development. The training areas included the following:

- · Data protection and privacy
- Anti-money laundering
- · Credit management essentials
- Fraud and risk awareness
- · Digital trust and cybersecurity

Complementing this focused training, the Bank fostered broader organisational connectivity through 122 engagements with staff. These initiatives included group wellness sessions focused on employee wellbeing, performance and productivity discussions, dedicated efforts towards cultural transformation, activities related to the Organisational

Health Index, and strategic cascades of the Bank's overall

The engagements included

Engagement Session	Number of Staff	Focus Area
Emotional Wellness Talk	227	Awareness Session
Financial Wellness Talk	346	Financial Management
Social Wellness Talk	212	Awareness Session
Wellness Talk on Hepatitis B	137	Awareness Session
Monkey Pox (MPOX) Awareness Session	201	Awareness Session





Limited's Partnership with Girls for Girls

he Bank has demonstrated a strategic commitment to gender equity and employee development through its partnership with Girls for Girls Uganda. This sixmonth mentorship program, tailored for mid-career female employees, directly supports KCB Group's sustainability pillars of inclusive economic growth and stakeholder engagement, while addressing systemic barriers to women's leadership in Uganda's financial sector.

A 2024 baseline assessment of 41 female KCB Bank Uganda Limited's employees revealed the following gaps:

- 49% of the female employees reported having no prior experience in either formal or informal leadership positions.
- 75.6% had less than three years of tenure, limiting career progression opportunities.
- Deep-seated fears of failure (68%), self-doubt (52%) and public speaking hindered professional confidence.

Geographic disparities further compounded these challenges, with most participants concentrated in Kampala, leaving rural branches like Gulu underrepresented.

A Co-Created Curriculum for Local Impact

The Bank and Girls for Girls co-created a curriculum blending global academia with local expertise:

- Structured Development: Six monthly sessions covered trust building, courageous leadership, communication, negotiation, public service, and ethical decision-making. Harvard professors like Nancy Koehn and Tim McCarthy contributed frameworks while Ugandan leaders such as Doris Mitti Kimuli and genocide reporter Sheila Kawamara Mishambi provided contextually relevant mentorship.
- Peer to Peer Model: Participants joined "mentorship circles", facilitating confidential dialogue and accountability. The Y.O.U (Yourself, Others, Understanding) negotiation framework enabled practical skill application.

Baseline-driven Design: Pre-program surveys customized content to address specific fears like imposter syndrome and work-life balance struggles. The sessions featured role-playing, impromptu speaking exercises, and personal goal mapping.

The programme achieved the following transformative

- 51% of non-leaders pursued promotions or new roles postgraduation. One mentee noted: "I'll negotiate before starting tasks to clarify expectations, no more belittling assignments."
- 90% reported reduced fear of public speaking, with 76% defining concrete goals such as MBA enrollment and entrepreneurship. A mentee reflected: "I now pace my decisions, I know myself best."
- 24 of 41 participants completed more than 4 sessions, making the Bank's highest cohort completion rate. 88% of graduates committed to long-term careers with the Bank.
- 100% joined the Girls for Girls global platform that spans over 40 countries, accessing ongoing resources and crossborder mentorship.

Looking Ahead

The post-programme feedback underscores sustained momentum where mentees now lead internal workshops, apply ethical decision-making frameworks in lending and mentor junior staff. The Bank plans to:

- Scale the model to Kenya, Tanzania and Rwanda subsidiaries
- Integrate mentorship KPIs into manager performance scorecards
- Fund seed capital for mentee-led community projects

As Professor Kessely Hong of Harvard observed: "We are stronger in negotiation when we have multiple paths to our goals." The Bank's partnership with Girls for Girls has built those paths hence creating a blueprint for women's leadership that drives both social impact and business excellence across Africa.

e. Wellness and Leave Management

Wellness programme participation grew by 3.3% (from 5,013 to 5,176), while average leave days surged by 63.5% (from 15.28 to 25), indicating improved work-life balance support.

Our Sustainability and Climate-related

Material Issues

Categories of the Wellness Initiatives	2023	2024
Number of Employees who participated in a wellness programme	5,013	5,176
Average Number of Leave Days Taken	15.28	25
Paternity Leave • Number of Staff • Total Days Taken	• 242 • 3,180	· 330 · 4,333
Maternity Leave Number of Staff Total Days Taken	• 184 • 16,614	· 233 · 21,353



3.3%

Wellness programme participation grew by 3.3% (from 5,013 to 5,176), while average leave days surged by 63.5% (from 15.28 to 25), indicating improved work-life balance support.



Our Risk Management Approaches

At KCB Group, our emergency preparedness framework is a pillar of operational resilience, structured to mitigate risks ranging from routine incidents to large-scale crises. This comprehensive approach integrates advanced systems, rigorous training, and proactive employee engagement to ensure a secure and responsive workplace.

A. Robust Emergency Protocols

Fire Safety remains a critical priority. Automated suppression systems are strategically installed in high-risk zones, including server rooms, to enable immediate response to potential threats. Complementing these systems, quarterly fire drills are conducted across all branches, ensuring staff familiarity with evacuation routes and safety procedures.

For catastrophic scenarios such as cyberattacks or natural disasters, our Crisis Management Plan (CMP) provides a clear blueprint for action. The plan defines the roles and responsibilities of the Crisis Management Team (CMT), ensuring swift coordination, resource allocation, and communication during high-stakes events.

To embed safety awareness at all levels, KCB Group prioritises continuous education and practice:



Induction Training:

New hires undergo mandatory safety orientation, equipping them with foundational knowledge of emergency protocols.



E-Learning & Webinars:

Regular sessions keep employees informed of evolving risks, from cybersecurity threats to climate-related disruptions.



Drills & Simulations:

In 2024 alone, 213 emergency drills were executed groupwide, reinforcing preparedness through hands-on experience.

B. Multi Layered Audit Ecosystem

Compliance verification operates through a dual-channel system. Accredited third-party auditors conduct annual 360° evaluations against OSHA standards, environmental protocols, and NFPA fire codes, with all findings prioritised through our Corrective Action Tracking System (CATS) for resolution within 14-90 day cycles. This external scrutiny is complemented by monthly internal compliance sweeps where facility engineers audit workspace configurations, electrical systems, and chemical storage protocols, generating real-time corrective tickets through our maintenance management platform.

C. Empowering Employees as Safety Advocates

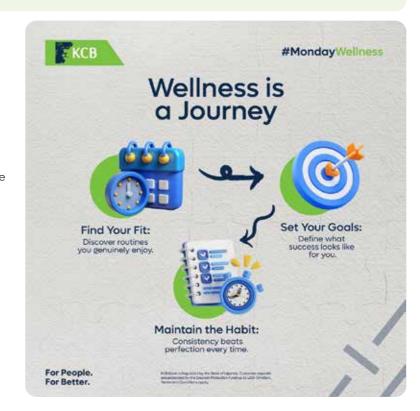
Employees are pivotal to sustaining a safe workplace. By fostering engagement through recognition and open dialogue, we drive collective ownership of safety standards.

Quarterly Town Halls: •

Staff voice concerns and suggestions directly to the Occupational Safety and Health (OSH) Steering Committee, enabling real-time adjustments to policies.

Safety Champion Awards

To reinforce vigilance and proactive problem-solving, employees who identify critical hazards are celebrated with incentives like gift vouchers and public recognition. As of 2024, 6 staff members have received this recognition.



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To strengthen safety awareness, we conducted 25 comprehensive training sessions in 2024, engaging 4,063 employees across critical areas such as fire safety protocols, hazard identification, and OSHA compliance standards. These sessions not equipped staff with practical skills but also cultivated a culture of proactive risk management, empowering employees to take ownership of safety in their daily workflows.

Looking ahead, we will build on this foundation by implementing two key initiatives in 2025:

1 Dynamic Risk Assessments: Teams will receive specialized training to identify and address hazards in real time, ensuring rapid response to evolving risks. This approach shifts safety management from reactive to adaptive, embedding vigilance into operational routines

2 Enhanced Workplace Design: We will invest in physical upgrades, including slip-resistant flooring, ergonomic workstations, and advanced ventilation systems, to mitigate common environmental risks. These improvements will complement behavioural changes, creating a holistic safety ecosystem.

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Our Governance Oversight

A. Oversight Roles and Committee Structure

Employee welfare matters are reviewed and guided by multiple governance bodies to ensure comprehensive oversight:

- The Group Human Resources and Remuneration Committee (HRRC) of the Board oversees strategic talent management, succession planning, and employee well-being frameworks.
- The Ethics and Compliance Committee ensures adherence to the Code of Ethical Conduct, with specific focus on integrity, equity, and workplace fairness.
- Executive Committee (ExCo) Talent Board conducts quarterly reviews of leadership pipelines, including welfarelinked programs like the Leadership Academy and wellness initiatives

B. Our Policy Frameworks

Our employee policy framework establishes clear guidelines outlining the duties, responsibilities, and expectations of all employees. Central to this framework are key policies demonstrating our commitment to employee welfare and professional growth. These include:

- Gender and Financial Inclusion Policy: The policy commits us to creating and sustaining an environment where every employee can realise their full potential, irrespective of race, ethnicity, gender, marital status, disability or religious beliefs.
- Talent Management Policy: Focuses on attracting and retaining skilled professionals.
- Health, Safety, and Environment (HSE) Policy—a dynamic guideline that evolves in response to emerging risks and regulatory shifts. Anchored in three core principles, the policy ensures a safe and sustainable workplace:
- Preventive Measures: Proactive identification of hazards and mitigation of risks to prevent workplace injuries, illnesses, and environmental harm.

- Regulatory Alignment: Adherence to the Occupational Safety and Health Act (OSHA), National Environment Management Authority (NEMA) standards, and global benchmarks such as ISO 45001.
- Stakeholder Accountability: Clearly defined responsibilities for employees, management, contractors, and visitors to foster collective ownership of safety culture.
- Performance Management Policy: Designed to foster a high performance culture.
- Code of Ethical Conduct: Mandates adherence to high ethical standards
- Learning and Development Procedures Manual: Ensures learning initiatives align with the Group's Strategic objectives

C. Whistleblowing and Grievance Redress Mechanism

KCB Group has institutionalised structured and confidential channels of communication for staff to report grievances or ethical concerns, modeled on international best practice.

- A dedicated whistleblowing portal accessible across all branches and subsidiaries, allowing anonymous reporting of workplace violations, discrimination, and harassment.
- A 24/7 ethics hotline and email monitored by the Internal Audit and Compliance teams, ensuring swift triaging and escalation
- Quarterly grievance audits to identify trends and inform proactive HR interventions, with reports tabled at the HRRC and Ethics Committee.

Together, these systems foster a culture of transparency, accountability, and continuous feedback, strengthening trust between employees and leadership, and ensuring concerns are addressed through fair and secure channels.



Our Sustainability and Climate-related



nvironmental stewardship is a foundation of KCB Group's sustainability strategy, reflecting our commitment to mitigating climate change, conserving natural resources, and fostering sustainable business practices. As a financial institution with a pan-African footprint, we recognise our responsibility in driving the transition to a low-carbon economy while ensuring resilience against climate-related risks.

Our Strategic Approach

A. Integration of Sustainability Risks and Opportunities

KCB Group stands at the forefront of sustainable development in the financial sector, anchored by its visionary "Transforming Today Together" strategy. This blueprint not only guides our operational and financial ambitions but also embeds sustainability as a core tenet of its identity. Central to this strategy is the Sustainable Citizen Pillar, a dynamic framework that amplifies the Group's commitment to fostering societal well-being, environmental stewardship, and inclusive economic growth.

The Group's strategic framework is actively integrating climate-related risks and opportunities into its core business decisions, guided by CBK's Guidance on Climate-related Risk Management. This approach ensures that material climate factors influencing the Group's long-term prospects are systematically identified, assessed, and addressed.

To manage climate-related risks, the Group employs a dual focus. First, it evaluates physical risks through geographic and sectoral climate vulnerability mapping, pinpointing exposure to acute hazards such as floods, droughts, and heatwaves. This analysis informs resilience-building measures for both its operations and client portfolios. Second, the Group is progressively working to understand and respond to transition risks such as evolving policy requirements, emerging technologies, and shifts in market preferences toward a lowcarbon economy through a combination of sectoral insights and ongoing monitoring.

Simultaneously, we leverage climate-related opportunities to drive sustainable growth. A cornerstone of this effort is green financing, which channels capital into renewable energy projects, energy-efficient green buildings, and climate-resilient infrastructure.

The Group leverages its influence to reshape value chains across industries. We integrate Environmental, Social, and Governance (ESG) principles into our lending practices, encouraging businesses to adopt sustainable models. For instance, we offer preferential financing for schools committed to renewable energy. Beyond financing, we engage in capacitybuilding programmes, equipping SMEs and agricultural value chains with tools to enhance resilience against climate shocks and market volatility. This leadership extends to the Group's internal operations, where initiatives like paperless banking, energy-efficient branches, and carbon footprint reduction underscore its commitment to "walking the talk."

KCB Bank Uganda Limited

The Bank's sustainability strategy is deeply rooted in the Group's overarching vision, "Transforming Today Together Strategy 2024-2026," which prioritizes three core pillars: advancing financial inclusion, fostering environmental stewardship, and upholding robust governance. By aligning with this framework, the Bank is driving meaningful progress in its Environmental, Social, and Governance (ESG) agenda through targeted collaborations with key stakeholders.



Central to these efforts is the Bank's partnership with regulators, including the Uganda Bankers Association (UBA) and the Bank of Uganda (BOU). Together, they are shaping standardized ESG reporting templates and guidelines, ensuring transparency and accountability across Uganda's financial sector. For suppliers, the Bank enforces a stringent Procurement Sustainability Code of Conduct, mandating ethical practices, environmental responsibility, and social equity throughout the supply chain. This ensures that sustainability principles extend beyond the Bank's direct operations.

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KCB Bank Tanzania Limited

footprint over time.

market dynamics.

NBK Limited

by 2050.



The Bank is strategically advancing toward the Group's

global commitment to achieve net-zero emissions by 2050, embedding sustainability into its core operations through measurable actions and forward-looking strategies. Central

to this effort is the establishment of a clear emissions baseline that will set metrics aligned to the Bank of Tanzania

guidelines. This baseline serves as a critical reference point for tracking progress in reducing the Bank's environmental

Building on this foundation, the Bank has prioritised scenario analysis to evaluate its resilience in the face of climate

transition risks. By 2025, the Bank plans to submit this analysis

to the Bank of Tanzania in alignment with the Climate-

related Financial Risks and Opportunities Guidelines. The

assessment will gauge the institution's adaptability under

both 1.5°C and 2°C global warming pathways, ensuring its

strategies remain robust amid evolving climate policies and

To harmonise sustainability with long-term business growth,

the Bank has integrated climate considerations into its

strategic decision-making. Climate risks are systematically

embedded into financial planning processes, including

budgeting and capital allocation, ensuring that resource distribution aligns with low-carbon transition goals. The Bank

is also still in the process of developing frameworks for the

To harmonise sustainability with long-

term business growth, the Bank has

integrated climate considerations into

identification and tracking of green loans.

its strategic decision-making.

The Bank embeds sustainability as a core pillar within its overall business strategy. This commitment is demonstrated through the focused adoption of seven UN SDGs, each supported by specific, measurable indicators to track progress. Furthermore, the Bank aligns its sustainability ambitions directly with the Group's "Transforming Today Together Strategy 2024 - 2026"

and its overarching commitment to achieve Net Zero Emissions

This strategic focus translates into concrete actions throughout the Bank's value chain. A key initiative is Green Lending, providing targeted financing for sustainable projects, exemplified by the Maji Konnect program supporting vital water infrastructure development. The Bank systematically manages environmental and social risks by mandating enviromental capital and social due diligence (ESDD) screenings for all loan applications over KShs.50 million and loan projects with a turnover of over KShs. 100 million.

An initial Flood Risk Scenario assessment has been completed to evaluate the potential business impacts, with plans to develop additional scenarios. Engaging stakeholders is paramount; the Bank involves its Board, Senior Management, Staff and Suppliers to define and advance shared sustainability priorities.



KShs. 50 million

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Innovation is central to the Bank's sustainability journey. The Majikonnect programme stands out as a tailored financing solution specifically designed for Water, Sanitation and Hygiene (WASH) projects, directly contributing to SDG 6 on Clean Water and Sanitation. Recognising that complex socio-economic challenges require collective action, the Bank forges strategic partnerships. These collaborations include Agua for All, Davis & Shirtliff, the African Guarantee Fund (AGF) and Safaricom, leveraging combined expertise and resources to amplify impact.

The Elimu Konnect was launched as an education enablement initiative committed to strengthening both the primary and secondary school system. To deliver this support, the Bank has partnered with key educational organisations: Kenya Private Schools Association (KPSA), Unified Alternative Providers for Basic Education and Training (APBET), and Kodris Africa. Through these collaborations, Elimu Konnect provides financing to support essential components of quality education. This includes funding for quality infrastructure development, sustainable energy and water solutions, ICT infrastructure and digital learning programme, as well as working capital and asset financing.

2024 KCB GROUP SUSTAINABILITY REPORT

The Bank has begun integrating climate-related risks into A its formal processes, including its Risk Appetite Framework, as an initial step towards finalising comprehensive scenario analysis and stress testing.

Looking ahead, KCB Bank Uganda Plc plans to deepen its climate resilience by embedding climate considerations into financial planning and capital allocation processes. These forward-looking initiatives underscore the Bank's commitment to balancing growth with planetary and societal well-being positioning it as a leader in sustainable finance within Uganda's evolving economic landscape.

Looking ahead, KCB Bank Uganda Plc plans to deepen its climate resilience by embedding climate considerations into financial planning and capital

allocation processes.

BPR Bank Rwanda Plc

The Bank's sustainability strategy revolves around three pillars:



Economic Responsibility: Promoting green finance and responsible lending.



Social Responsibility: Enhancing financial inclusion and community development.

Environmental Responsibility: Reducing the Bank's carbon footprint and supporting

Central to this strategy is the BPR Green Agenda, which prioritises energy efficiency, waste reduction, and reforestation efforts. Complementing this is the Social and Environmental Management System (SEMS), a framework that mandates due diligence for all financed projects. Projects are categorised by risk level, with corrective action plans enforced where gaps are identified.

Collaboration with stakeholders further amplifies impact. Partnerships with institutions like the European Investment Bank (EIB) and Rwanda's Ministry of Youth drive innovation in ESG integration, while training sessions and site visits enhance stakeholder capacity and awareness.





biodiversity.

Each month, the Bank undertakes a comprehensive review of its loan portfolio to identify loans that qualify as green under internationally recognized climate finance criteria. This process involves close collaboration with Relationship Managers (RMs), who engage directly with clients to collect relevant documentation and project details. To ensure consistency and credibility in classification, all identified projects are assessed using the International Finance Corporation's Climate Assessment for Financial Institutions (CAFI) toolkit. This approach not only strengthens the Bank's commitment to sustainable finance but also ensures alignment with global reporting standards and regulatory expectations.

Once a project is verified as a green facility, it is integrated into the Group's monthly green finance report. The CAFI-driven verification process serves as a pillar of credibility, safeguarding the integrity of the Group's green portfolio

To further amplify the share of green initiatives, the Group has adopted a two-pronged strategic approach:

Stakeholder Engagement:

Proactive collaboration with retail and corporate clients is prioritised to raise awareness of green financing opportunities and incentivise sustainable project adoption. viable green projects.

Capacity Building:

Regular training programs are conducted for Relationship Managers (RMs) to sharpen their expertise in identifying, assessing, and structuring



2024 represented the foundational year for the Group's ambitious three-year strategic plan, with significant focus placed on embedding sustainable finance principles and expanding green lending capabilities. The implementation of key initiatives has yielded tangible progress, establishing a robust platform for future growth in climate-aligned finance and risk management:

- $\bullet \ \ \text{Recognising the critical importance of dedicated expertise, } \underline{\quad} \bullet \ \ \text{Equipping staff with the necessary knowledge and skills is}$ the Group strengthened its leadership in sustainable finance, by establishing the Sustainable Finance Unit in 2024. This pivotal appointment provides strategic direction and oversight for the expanding portfolio of green initiatives.
- · A major focus has been the development of specialised financial products to accelerate the transition to renewable energy. This tailored financing is anticipated to significantly increase the uptake of green finance across diverse market segments served by the Bank.
- · Demonstrating substantial commitment, the Group successfully booked KShs. 53.2 billion in climate finance projects by the end of 2024. Notably, KShs. 24.1 billion of this portfolio has been verified using the Climate Assessment for Financial Institutions (CAFI) reporting tool, enhancing transparency and credibility.
- paramount. The Group has implemented ongoing training programs focused on sustainable finance, specifically targeting customer-facing teams. The objective is to empower these staff members to effectively engage clients, identify viable green financing opportunities and cultivate a robust pipeline of bankable sustainable projects.
- Crucially, we commenced the complex process of calculating our financed emissions - quantifying the greenhouse gas emissions linked to our lending and investment activities. The foundational work is essential for understanding the Group's share of climate impact and will directly inform strategies to identify financing and capacity development opportunities for clients aiming to reduce their emissions.

Outlook



Central to the progress on sustainable financing was the strategic adoption of the Smart Excel Environmental and Social Due Diligence (ESDD) Toolkit, designed to elevate the Group's capacity for assessing, monitoring, and managing E&S risks across financed projects. Designed to streamline due diligence workflows, the toolkit enhances efficiency while ensuring compliance with both local regulations and international frameworks, including the International Finance Corporation (IFC) Performance Standards

The credit team has fully embedded the toolkit into the credit appraisal process, institutionalising automated E&S risk assessment for all projects valued at KShs. 50 million or above or those with an annual turnover exceeding KShs. 100 million. This integration ensures that E&S considerations are systematically evaluated at the earliest stages of project financing. Key Successes of the Smart Excel Toolkit include:

- **Enhanced Visibility & Consistency:** Replacing manual evaluations with standardized digital processes, the toolkit has minimized subjectivity and improved transparency in E&S risk assessments. This shift ensures uniform decision-making across all projects.
- Increased Operational Efficiency: Transitioning from a Word-based system to automated scoring and templated reporting has slashed the time required for initial E&S screenings, enabling faster turnaround without compromising rigor.
- Strengthened Regulatory Compliance: The toolkit's built-in compliance checks safeguard adherence to local E&S laws and global standards, fortifying KCB's preparedness for audits and regulatory scrutiny.
- 4 Leadership in Sustainable Finance: The successful deployment of the toolkit positions KCB as a regional pioneer in sustainable finance, unlocking opportunities to collaborate with development finance institutions (DFIs) and attract ESG-focused investors.

▲ To safeguard against risks, KCB Bank Uganda Limited conducts Environmental and Social Due Diligence (ESDD) for all loan facilities exceeding USD 500,000. This initiative embeds sustainability at the core of the Bank's financial decision-making by proactively assessing 85 loans totaling KShs. 25.1 billion, identifying and mitigating environmental and social risks across its portfolio. The majority of these loans serve corporate clients in key sectors such as manufacturing, real estate, health and energy.

In 2024, BPR Rwanda Bank Plc screened KShs. 5.3 billion worth of loans for ESG compliance, reaffirming its dedication to responsible finance. This dedication was further reflected in the identification of its green lending portfolio which expanded to surpass 20% of total lending While the Bank has not yet formalised scenario analyses or stress tests for climate-related risks, mitigation remains a priority through initiatives such as energy-efficient infrastructure and community tree-planting programs. Moving forward, structured risk prioritisation and decarbonisation roadmaps will be critical to navigating emerging challenges.





KShs. 5.3 billion

In 2024, BPR Bank Plc screened KShs. 5.3 billion worth of loans for ESG compliance, reaffirming its dedication to responsible finance. This dedication was further reflected in the growth of its green lending portfolio, which expanded to surpass 20% of total lending.

Our Sustainability and Climate-related Material Issues



Acorn Holdings Ltd: Advancing Sustainable Urban Living Through Green Rental Housing

development and management company based in Nairobi, Kenya. Over the past two decades, it has transformed from a conventional real estate developer into East Africa's leading provider of Purpose-Built Student Accommodation (PBSA), addressing a critical gap in urban housing with innovative and sustainable solutions.

Integrating Sustainability into the Built Environment

Acorn has successfully developed more than 65 projects worth over USD 550 million. Its model combines affordability, convenience, and environmental sustainability, directly supporting SDG 11 (Sustainable Cities and Communities) by creating safer, more inclusive, and climate-smart urban spaces for students and young professionals.

Since 2015, all new developments have been designed in accordance with the International Finance Corporation's EDGE (Excellence in Design for Greater Efficiencies) certification, ensuring reductions in energy and water consumption as well as embodied carbon in construction materials. These efforts contribute to SDG 13 (Climate Action) and SDG 12 (Responsible Consumption and Production). Acorn also participates in the annual Global Real Estate Sustainability Benchmark (GRESB), aligning its operations with global ESG benchmarks and fostering transparency in performance

A key enabler of this green transition has been the company's partnership with KCB Bank Kenya. KCB has provided both financial and non-financial support to bolster Acorn's sustainable housing initiatives. The Bank played a critical role in financing Acorn's Development Real Estate Investment Trust (D-REIT) and Income Real Estate Investment Trust (I-REIT), which were structured to meet green finance criteria. These instruments have enabled Acorn to refinance existing projects and support the rollout of new, environmentally efficient buildings—supporting SDG 9 (Industry, Innovation, and Infrastructure) and SDG 8 (Decent Work and Economic Growth) by driving innovation and job creation through sustainable infrastructure.

stablished in 2001, Acorn Holdings Ltd. is a real estate A Beyondfunding, KCB Group has offered crucial advisory support, particularly in enhancing Acorn's climate risk disclosures in line with the Central Bank of Kenya (CBK) Climate Risk Guidelines. This has not only improved the company's internal governance framework but also elevated its ESG reporting standards. making it more attractive to long-term institutional investors interested in green and impact-driven investments.

Green Features

Sustainability features in Acorn's developments include solarready rooftops, smart metering systems, energy-efficient lighting, waste recycling stations, and water-saving plumbing. By utilizing locally sourced, sustainable construction materials and integrating environmentally friendly technologies, Acorn has achieved over 80% waste diversion rates while significantly reducing operational costs for tenants—advancing SDG 6 (Clean Water and Sanitation) and SDG 7 (Affordable and Clean Energy).

Despite encountering obstacles such as limited solar integration potential in vertical housing and a shortage of local green building expertise, Acorn has continued to invest in training, research, and innovative design solutions to overcome these barriers by enhancing knowledge and capacity in green construction.

Looking to the future, Acorn aims to explore net zero housing models, enhance community engagement in sustainability programs, and integrate green mobility solutions across its housing developments. Its partnership with KCB Group will remain vital in advancing these objectives and scaling the impact of green urban living in Kenya and beyondreinforcing the country's contribution toward achieving the United Nations Sustainable Development Goals.

USD 550 million ◆

Acorn has successfully developed more than 65 projects worth over USD 550 million. Its model combines affordability, convenience, and environmental sustainability, directly supporting SDG 11 (Sustainable Cities and Communities) by creating safer, more inclusive, and climate-smart urban spaces for students and young professionals.

Case Study:

Sustainable Finance

Ngong Veg is Redefining Sustainable Agriculture in Kenva

lobally, roughly one-third of all food produced—about 1.3 billion tonnes—is lost or wasted every year. This happens at various stages, from farm to fork. In sub-Saharan Africa, a significant share of this waste happens at production and post-harvest levels due to limited processing infrastructure, short shelf lives, and inefficient supply chains. Yet, the demand for food continues to grow, and with it, the strain on our environment.

As climate change intensifies, agricultural sustainability is no longer optional, it's a necessity. Across the globe, businesses are reimagining food systems, not only to feed more people, but to do so efficiently, responsibly, and with minimal waste.

Ngong Veg Steps Up, Feeding the World Without Wasting It

In Kenya, Ngong Veg Limited has taken this challenge to heart. Based in the productive agricultural zones of Ngong, the company is a major grower and exporter of fine beans. extra fine beans, sugar snaps, broccoli, and other premium

"Our business has always been rooted in quality," says Daniel Kihumba Mutungu, Finance Manager at Ngong Veg, "But we knew we needed to evolve—both to stay competitive and to contribute to a more sustainable future."

The fresh produce market, while lucrative, is highly perishable. Products have a limited seven-day shelf life, and anything that doesn't meet strict export standards is rejected, often ending up as waste. In fact, up to 20% of harvests—about 2 tons for every 10 tons grown—can go to waste purely based on size, appearance, or timing.

To address this, Ngong Veg made a bold move. They invested in a canning facility, enabling them to process surplus and off-grade produce that would otherwise be discarded. This shift not only reduced waste but added a new revenue stream, extended the product's shelf life, and created employment opportunities.

"The canning plant has transformed how we think about waste. What used to be a loss is now value," Daniel shares.

This shift aligns with broader global movements toward circular agriculture—closing the loop between production and consumption by reusing, recycling, and rethinking every step of the value chain.

Critical to this transformation has been KCB Bank Kenya Limited, Ngong Veg's long-standing financial partner. From initial feasibility to full execution, the Bank funded the canning project, understanding its potential to address food loss and support Kenya's food security and climate goals.

But the partnership doesn't stop there.

Ngong Veg's next step is to power the facility with solar energy, reducing reliance on the national grid and minimizing its carbon footprint. Once again, they are turning to KCB Bank Kenya Limited for support.



"KCB isn't just our bank—they're our partner in growth," says Daniel. "From seed to shelf, they've helped us reimagine what's possible.'

Ngong Veg's story is one of resilience, innovation, and responsible business as they have been embracing sustainable farming practices like crop rotation, organic soil enrichment, and now, value-added processing, which shows that agriculture can be profitable, inclusive, and environmentally sound.

Through its support of ventures like Ngong Veg, KCB Bank Kenya Limited is proving that financial institutions can be catalysts for climate-smart transformation—investing in businesses that not only grow crops but also grow solutions.

Our business has always been rooted in quality," says Daniel Kihumba Mutungu, Finance Manager at Ngong Veg. "But we knew we needed to evolve—both to stay competitive and to contribute to a more sustainable future."

KEY IMPACTS

- 20% reduction in fresh produce waste through
- · Local job creation tied to processing and solar expansion.
- · Lower environmental footprint through sustainable farming and plans for solar energy.
- · Enhanced food security through value addition and reduced post-harvest loss.

This is what climate-smart agriculture looks like in action. It starts with a seed—but with the right partnerships, it can grow into a movement.

C. Operational and Financed Emissions

Operational Emissions

Since 2014, KCB Group has embedded sustainability at the core of its operations, systematically tracking resource consumption and implementing targeted measures to reduce its environmental footprint. Guided by a robust sustainability agenda, the Group prioritises energy efficiency, water conservation and waste management practices that align with global ESG standards and reflect its commitment to fostering a greener future.



Energy Efficiency and Renewable Energy Adoption

Recognising the dual benefits of cost savings and environmental stewardship, KCB Group has pursued innovative energy solutions. A cornerstone of this effort is the large-scale transition to LED lighting, which now illuminates 65% of its branches. By replacing conventional lighting with technology that consumes up to 80% less energy, the Group has significantly lowered its carbon emissions. All new projects now mandate LED adoption as a baseline standard.

The Group spearheaded a comprehensive overhaul of legacy systems to reduce energy consumption across data centers, offices, and branches. Outdated infrastructure, including the energy-intensive legacy storage with spinning drives and network equipment, was decommissioned and replaced with cutting-edge, power-efficient alternatives. The adoption of all-flash storage systems and Software-Defined Networking (SDN) solutions reduced energy demand by approximately 40% in core data centers. Further efficiencies were achieved by migrating the platform to the Group's strategic virtualisation platform that culminated in the consolidating of application workloads and lowering of cooling requirements.

Complementing these upgrades, the Group transitioned its data networking services from leveraging a traditional routing architecture to a next-generation Software-Defined Wide Area Network (SD-WAN) solution, which resulted in the optimisation of expensive network bandwidth and reduction in power consumption by up to 30% across the branch networks that have been migrated to the SD-WAN platform.

Solar installations at branches in Maasai Mara, Wajir, and Mandera demonstrate the Group's phased approach to renewable energy adoption. Looking ahead, the Group plans to expand solar power to 19 additional branches and the Karen Leadership Centre by the end of 2025, reinforcing its transition to cleaner energy sources. In 2023, we migrated our primary data center to iColo, a facility powered predominantly by solar energy. As of December 2024, this shift resulted in 34% reduction in electricity costs at the Kencom House, with monthly expenses plummeting from KShs. 3,316,613 to KShs. 2,194,018



Waste Reduction and Circular Economy Practices

KCB Group's waste management strategy emphasises resource recovery and circularity. Through a partnership with Chandaria Industries, the Group securely recycles over 97 tonnes of paper waste annually, diverting substantial volumes from landfills and giving materials a renewed purpose. We institutionalised robust policies to address electronic waste, partnering with certified e-waste recyclers to ensure responsible disposal of decommissioned hardware. The Procurement Department oversees a stringent process for sanitising and recycling outdated assets, while a leasing model for short -lifecycle devices minimises waste generation. At the end of lease terms, vendors reclaim sanitised equipment, with staff offered the opportunity to purchase devices for personal use - a practice extending product life cycles and fostering a sustainable culture.



80%

By replacing conventional lighting with technology that consumes up to 80% less energy, the Group has significantly lowered its carbon emissions.

he adoption of allflash storage systems and Software-Defined **Networking (SDN) solutions** reduced energy demand by approximately 40% in core data centers.



97 tonnes

Through a partnership with Chandaria Industries, the Group securely recycles over 97 tonnes of paper waste annually, diverting substantial volumes from landfills and giving materials a renewed



Water Conservation Initiatives

Smart push taps, designed to automatically shut off after use, have been installed across multiple facilities to curb water wastage. At the Karen Leadership Centre, an advanced recycling plant treats and repurposes water for landscaping, slashing freshwater consumption and setting a benchmark for sustainable water use in the Group's operations.



Sustainability Integration in Sports

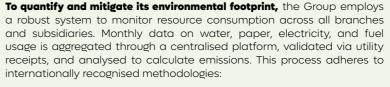
At the 2024 KCB Golf Finale hosted by Sigona Golf Club, we collaborated with Africa Collect Textiles (ACT) to highlight their innovative approach to sustainability. Through this partnership, ACT showcased their repurposed products and demonstrated live upcycling processes, engaging attendees with handson insights into textile waste reduction. The initiative yielded tangible results: 32 kilograms of textile waste were diverted from landfills, and ACT generated sales totaling KShs.. 42,000 from their upcycled merchandise. Building on this success, we plan to extend our partnership with ACT across all upcoming golf events in Nairobi and Kiambu, further amplifying their environmental impact and fostering sustainable practices within the sporting community.



32 kilogrammes

The initiative yielded tangible results: 32 kilogrammes of textile waste were diverted from landfills, and ACT generated sales totaling KShs. 42,000 from their upcycled merchandise.







Generated from diesel generators, fleet vehicles (petrol), and water consumption.

Scope 2 (Indirect Emissions):

Derived from purchased electricity. Emission factors from the International Energy Agency (IEA) and the UK's Department for Environment, Food, and Rural Affairs (DEFRA) underpin these calculations. Verified data is reported internally on a quarterly

basis and disclosed annually in public sustainability reports.





KCB Group's 2024 resource consumption tracker analysis delivers a consolidated overview of environmental performance Group-wide. Key metrics including electricity consumption (kWh), water use (litres), paper consumption (reams), and fuel use (covering genset, mileage and taxis); show a 4% reduction in overall resource consumption. However, this was accompanied by a 5% rise in carbon emissions attributable to increase in staff hiring for the same reporting period.



Electricity Consumption

The Group achieved a significant reduction in electricity consumption during the reporting period, with usage decreasing by **16%** year-on-year from **15,880,611 kWh** in 2023 to **14,280,633 kWh** in 2024.

KCB Bank Kenya Limited remained the Group's largest energy consumer by a considerable margin, utilising 10,473,286 kWh. This represents 73% of the Group's total consumption. While the Bank recorded a slight increase of 1% in its own usage, this was largely offset by the positive impact of the Linda Miti initiative.

Other Group entities reported notable increases in consumption, driven by operational expansion and heightened activity:

- KCB Bank South Sudan Limited saw a sharp 144% surge in electricity usage, rising from 12,935 kWh to 31,574 kWh.
- KCB Bank Uganda Limited experienced a substantial 43% increase, climbing from 567,960 kWh to 812,183 kWh.
- KCB Bank Burundi Limited recorded a 23% growth, rising from 305,462 kWh to 376,358 kWh.
- BPR Bank Rwanda Plc also reported a 15% increase, from 1,909,618 kWh to 2,187,676 kWh.



Water Consumption

KCB Group achieved a notable 10% reduction in total water consumption, decreasing from 122,151,704 litres in 2023 to 110,271,869 litres in 2024. Despite this Group-wide decline, consumption patterns varied significantly across subsidiaries.

KCB Bank Kenya Limited remains the dominant contributor, accounting for 66% of the Group's total usage in 2024 which is 72,942,408 litres. Unlike the overall trend, the Bank's consumption increased by 17% year-on-year, reinforcing its substantial share of the Group's water footprint.

Significant variances emerged among other subsidiaries:

- KCB Bank Burundi Limited recorded the most reduction, plummeting 89% from 658,947 litres to just 73,061 litres. This sharp decline suggests major operational changes or highly successful water conservation initiatives.
- KCB Bank Uganda Limited also achieved a substantial decrease, reducing consumption by 28% (from 6,756,288 litres to 4,891,000 litres).
- KCB Bank South Sudan Limited experienced the largest percentage increase within the Group, rising 39% from 1,102,289 litres to 1,529,752 litres.

73%

KCB Bank Kenya Limited remained the Group's largest energy consumer by a considerable margin, utilising 10,473,286 kWh. This represents 73% of the Group's total consumption.



-89%

KCB Bank Burundi Limited recorded the most reduction, plummeting 89% from 658,947 litres to just 73,061 litres. This sharp decline suggests major operational changes or highly successful water conservation initiatives.





Our Tax Approac Our 2025 ES Outlook

Appendices





Paper Consumption

KCB Group significantly reduced its overall paper consumption by 9.27% in 2024, decreasing from 53,713 reams used in 2023 to 48,735 reams. This decline underscores the Group's concerted shift toward digital operations and sustainable projects.

Progress was particularly strong in KCB Bank Tanzania Limited and KCB Bank Uganda Limited, aligning with broader green banking initiatives. KCB Bank Tanzania Limited achieved a substantial **16.7%** reduction in paper usage, reflecting either successful digitisation efforts or more efficient print management. Similarly, KCB Bank Uganda Limited reported an **8.6%** decrease, demonstrating its commitment to environmental stewardship.

However, BPR Bank Rwanda Plc presented a notable contrast, with paper consumption surging over **500%** from **1,577** to **10,562 reams.** This significant increase suggests either expanded operational demands such as heightened reporting, new branch openings, or regulatory requirements.

STO

Fuel Usage

KCB Group's overall fuel consumption rose significantly in 2024, climbing 11.19% from 1,125,868 litres in 2023 to 1,251,862 litres. This increase reinforces fuel's critical role as a primary contributor to the Group's Scope 1 emissions.

Subsidiary trends revealed stark contrasts:

- KCB Bank Tanzania Limited recorded a 23.5% surge in fuel usage, potentially driven by heightened reliance on backup generators or expanded business travel.
- KCB Bank Uganda Limited experienced the most pronounced growth at 42.4%, suggesting intensified field operations or transport-heavy activities.
- Conversely, BPR Bank Rwanda Plc demonstrated a positive deviation with a 13.9% reduction in consumption likely attributable to efficiency measures such as route optimisation or adoption of hybrid vehicles.

-16.7%

KCB Bank Tanzania Limited achieved a substantial 16.7% reduction in paper usage, reflecting either successful digitisation efforts or more efficient print management.



-13.9%

BPR Bank Rwanda Plc demonstrated a positive deviation with a 13.9% reduction in consumption—likely attributable to efficiency measures such as route optimisation or adoption of hybrid vehicles.



The data compares performance across 2023 and 2024 to assess progress, efficiency and areas for improvement:

Scope 1 Emission:	2023	2024
Total Fuel Use (Litres)	1,125,868.54	1,251,862.82
Emissions (tCO2 eq)	30398.45	33800.29

	Carbon Footprint Intensity (kgCO2 eq/ Staff)	2023	2024
		3,775.53	3,945.09

Scope 2 Emission:	2023	2024
Total Energy (kWh)	16,975,272	14,280,633
Emissions (tCO2 eq)	8470.66	7,126

Carbon Offset Through Resource Conservation

1,344,625 KgCO2 eq

2024 KCB GROUP SUSTAINABILITY REPORT 2024 KCB GROUP SUSTAINABILITY REPORT

generated over **80,012 tonnes** of CO, in financed emissions. The Financed emissions analysis revealed that Heavy Goods Vehicles (HGVs) accounted for 91% of emissions in this asset class, followed by Light Commercial Vehicles (LCVs) and Passenger Cars (PCs).

KCB Bank Kenya Limited's Motor Vehicle portfolio

13. Motor Vehicle Loans

These findings underscored the significant impact of the commercial transport sector on the Bank's overall financed emissions and highlighted the need for targeted interventions in this area.

Target

Net Zero Target by 2050 in motor vehicles

Targeted uptake of electric and hybrid vehicles



Commitment

Our Progress

- · In 2024, KCB Bank Kenya Limited aligned its strategy with Kenya's Long-Term Low Emission Development Strategy, which aims to achieve a 97% reduction in emissions from the road transport sector by 2050, primarily through the adoption of e-mobility solutions. In response, the Bank took several proactive steps to support this national ambition and accelerate the decarbonisation of its motor vehicle loan portfolio.
- · The Bank also extended its credit facilities to fleet operators, last-mile delivery services, and ride-hailing businesses looking to transition their fleets to electric models.
- The Bank began integrating vehicle emissions performance data into its credit risk assessment process, allowing the Bank to incentivise low-carbon vehicle purchases through preferential loan terms. This datadriven approach not only supports emissions reduction targets but also enhances the overall resilience of the Bank's transport loan portfolio.



These efforts are part of the Group's broader commitment to supporting Kenya's transition to a green economy. By expanding its e-mobility financing offering and engaging with ecosystem players, we are positioning ourselves as a key enabler of sustainable transport in the region.

Calculation of **Financed Emissions**

Driven by our commitment to achieve Net Zero by 2050, KCB Group's strategy focuses on reducing financed emissions across our portfolio and the wider economy. A significant milestone in this journey was reached in 2023 when we conducted our inaugural financed emissions calculation for the Kenyan portfolio. This critical assessment, completed in partnership with Carbon Trust, quantifies the indirect emission within our supply chain and client base, aligning our activities with global sustainability targets.

Building on this foundational step, we formulated a draft decarbonisation strategy designed to address data gaps and formalise emission reduction pathways, pending board endorsements. Our key achievements in 2023, setting our agenda for 2024, was completing financed emissions calculations for three priority sectors: Motor Vehicle Loans, Business Loans and Commercial Real Estate Loans. This enabled the development of high-level sectoral decarbonisation roadmaps. Moving forward, we will conduct financed emissions calculations biennially to track progress as we actively support the transition to a resilient, net zero economy.

To drive this transition, we continue to focus

- · Engaging customers on their climate transition plans
- · Managing our products and services to incentivise sustainable practices
- · Adapting financing choices to accelerate the shift towards low-emissions technologies while phasing out support for high-emitting technologies in transport and industry.



1. Business Loans

There were 159 sectors within the portfolio and Petrochemicals was the highest emitting sector with 3,200,486 tCO2e and a carbon intensity of 23,052 tCO2e/USD. Despite contributing just 1% of portfolio emissions, its prominence was partly due to proxy data used for **76%** of the portfolio. The top emission-intensive sectors were:

- · Petrochemicals
- · Land transport and pipeline services
- Basic metals
- · Electric power generation and distribution
- Wholesale retail trade and motor vehicle services

These sectors, through central to economic growth, present significant decarbonisation challenges and opportunities.

Target

Commitment

Net Zero target by 2050 in **Business** Loans

Energy Efficiency to lower the energy demand of business operations will achieve the use of less energy to perform the task or produce the same result.

Conduct energy audits in the top 15 customers by certified energy auditors to identify and quantify the energy saving opportunities.

Financing renewable energy to power operations, which can be done through both onsite renewable energy or offsite renewable energy procurement.

Leading the transition away from using carbonintensive fuels to low- or zero-carbon alternatives such as green hydrogen and biofuels, or electrification.

Our Progress

In 2024, the Bank undertook a range of strategic actions to reduce financed emissions from business loans, strengthening its climate risk approach, and scale its green lending activities by;

Conducting regular site visits to portfolio clients operating in the most carbon-intensive sectors. These engagements focused on identifying opportunities to support clients in implementing emission reduction strategies through tailored financial solutions, while also encouraging climate-related disclosures.

The Bank significantly scaled the use of its Green Loan Framework in 2024 to promote sustainable investments across high-emitting business sectors. This framework serves as the foundation for identifying, evaluating, and monitoring eligible green projects.

21% growth

During the year, the Bank recorded a 21% growth in its green finance portfolio, with loans extended to projects that demonstrated • Smart Agriculture clear environmental benefits, including:

- Renewable Energy
- · Energy Efficiency
- · Sustainable Transport

To ensure the successful execution of its climate finance strategy, the Bank partnered with Development Finance Institutions (DFIs) to access both funding and technical expertise. Notably, the Bank deepened its partnership with Proparco, securing technical assistance in green lending product design.

2. Commercial Real Estate (CRE)

KCB Bank Kenya Limited's Commercial Real Estate portfolio generated over 10,000 tonnes of CO, equivalent (tCO,e) in financed emissions. Approximately 97% of these emissions were concentrated in the Real Estate sector, with the remaining 3% arising from related sectors such as Building & Construction, Tourism, Restaurants and Hotels, Personal, and Trade.

This emissions profile highlighted the commercial real estate sector as a strategic focus area for decarbonisation, given the high energy demand and long asset lifespans of commercial buildings:

Net Zero target by 2050 in

Commercial **Real Estate**

Financing efficient buildings to achieve and incorporating on-site solar PV, reducing energy intensity and building emissions.

Procuring renewable energy through the grid will be essential to enabling quicker decarbonisation and alignment.

Our Progress

- · KCB Bank Kenya Limited made significant progress by integrating ESG criteria into its real estate financing solutions. The Bank initiated efforts to bundle conventional CRE loans with green financing components, enabling developers and property owners to invest in: Solar photovoltaic (PV) systems and Energy-efficient building upgrades. These bundled solutions aim to lower building emissions, reduce energy costs, and increase the long-term value and resilience of commercial properties.
- The Bank is also committed in engaging at customer and portfolio levels to support customers in their shift towards a lowcarbon future. By sharing insights and expertise on decarbonisation, offering financial products to assist in their transition, and providing funding for innovations that accelerate progress.
- As part of its commitment to transparency and accountability, the Bank is currently underway to improve its data quality score by integrating key data sets upon loan origination and monitoring processes for CRE projects. This data strategy will enable the Bank to track emissions performance across the CRE portfolio and monitor progress toward the Bank's Net Zero by 2050 target.

KCB Bank Kenya Limited made

significant progress by integrating ESG criteria into its real estate financing solutions. The Bank initiated efforts to bundle conventional **CRE loans with** green financing components, enabling developers and property owners to invest in: Solar photovoltaic (PV) systems and Energyefficient building upgrades.

2024 KCB GROUP SUSTAINABILITY REPORT

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D. Responsible Sourcing

KCB Group has embedded its commitment to sustainability and accountability into its procurement practices through a robust Supplier Code of Conduct. This initiative has driven significant progress, with 83% of suppliers signing up to the code - a marked increase from 53% in 2023. While KCB Bank Kenya Limited leads the Group in full compliance, subsidiaries operate at differing stages of adoption. To accelerate alignment, the Group has established a dedicated Manager Subsidiary Support role tasked with driving uniform implementation of the Code by 2025. This structured oversight mechanism ensures consistent progress tracking, capacity-building, and knowledge-sharing among subsidiaries to close existing gaps.

Concurrently, the Supplier Code of Conduct is continously being improved. This overhaul aims to integrate emerging ESG risks—such as climate-related disruptions and evolving labor regulations—while aligning with global best practices and dynamic industry benchmarks. The update reflects the Group's proactive approach to anticipating regulatory shifts and stakeholder expectations. This is evidenced by its decision to increase local procurement spending from 70% in 2023 to 78% in 2024, reinforcing its commitment to supporting local businesses. This was contributed by the following subsidiaries:

Subsidiary	Local Spend	International Spend
KCB Bank Kenya Limited Plc	KShs. 12.3 billion	KShs. 3.5 billion
BPR Bank Rwanda Plc	KShs. 1.2 billion	KShs. 444.4 million
KCB Bank Tanzania Limited	KShs. 1.3 billion	KShs. 688.1 million

Our Sustainability and Climate-related

Material Issues

As part of our supplier oversight framework, we conduct biannual due diligence visits to assess ongoing compliance with Supplier Code of Conduct and ESG standards. To date, we have completed over 20 such supplier visits.

The Group embedded inclusivity into its procurement practices, allocating 7.5% of contracts—totaling KShs. 913 million in 2024, up from KShs. 874 million in 2023—to businesses owned by special interest groups. Partnerships with disability-focused organisations ensured co-created solutions addressing unique banking challenges, fostering an ecosystem where economic participation and empowerment intersect.





Operational excellence initiatives, meanwhile, are anchored in a rigorous risk management framework. The Operational Risk Team conducts periodic assessments to embed mitigation strategies into all process improvements. Key third-party risks under scrutiny include:

Environmental Impact:

Business travel remains a contributor to the Group's carbon footprint. Mitigation efforts emphasise virtual meeting adoption, hybrid event models, and carbon offset partnerships.

Social Accountability:

Outsourced services—such as security and cleaning—carry latent risks of labour violations. We are developing procedures for a Human Rights and Grievance Mechanism to effectively manage and mitigate risks.

KShs. 913 million

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Engagement

Case Study:

Differently-abled Supplier



Sourcing for Impact

Miti tree-planting initiative, our goal was clear: plant 1 million trees in 2024 countrywide as part of our broader commitment to climate action and environmental

With such an ambitious target, we knew success would depend not just on planting, but on forming meaningful partnerships. We needed a reliable source for quality seedlings, and rather than looking outward, we looked within our own customer base, seeking suppliers who aligned with our sustainability values and could also bring an inclusive lens to the mission.

That's when we met Joseph Mururi Muiruri, Director of Everdynamics Kenya Ltd, a loyal KCB Kenya Limited's customer whose personal and professional story deeply resonated with our goals.

A Business Rooted in Resilience

Joseph's journey into seedling production began during the challenging COVID-19 period. After suffering a life-altering accident that left him physically impaired, Joseph found strength in reinvention. Inspired by friends who were already in the business and driven by the national call to protect our environment, he ventured into tree nursery management.

Starting with small orders from peers, Joseph quickly realised the potential of scaling this work into a business that not only supported climate action but also created jobs — especially for youth, women, and differently-abled.

From One Nursery to a Nationwide Network

Ever Dynamics runs eight nurseries across Kenya, located in Murang'a, Embu, Mombasa, Makueni, Kitui, and other areas. By September 2024, the company had expected to

hen we launched the KCB Kenya Limited's Linda 🛉 have grown over 40 million seedlings, including fruit trees, indigenous varieties, exotic trees, and special varieties for arid and semi-arid areas.

> Ever Dynamics employs 20 permanent staff and scales up to 200 workers during peak seasons, many of whom are from marginalised backgrounds.

A Partnership Beyond Supply

KCB Kenya Limited's partnership with Ever Dynamics is more than a business transaction — it's a shared commitment to people and the planet. By choosing a supplier from within our customer base, and especially one led by a differentlyabled person, we ensured that economic inclusion is part of our environmental sustainability journey.

"Knowing that KCB Kenya Limited is behind us gives us hope," says Joseph. "When we go to plant trees, we don't go alone. We know our partner is ready to support us."

Through the KCB Kenya Limited's Linda Miti initiative and partnerships like this, we are not just greening Kenya — we are nurturing livelihoods, building resilience, and driving inclusive growth.

Because for us, sustainability is not just about the number of trees we plant. It's about the lives we touch along the way.

Knowing that KCB Kenya Limited is behind us gives us hope," says Joseph. "When we go to plant trees, we don't go alone. We know our partner is ready to support us."

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Case Study:

Seeds of Stewardship





Since its launch in 2022, the Linda Miti initiative has become A KCB Bank Kenya Limited planted 1,365,371 trees across 1,259 a transformative force in Kenya's environmental and social landscape. By uniting ecological restoration with grassroots economic empowerment, the programme has redefined conservation as a catalyst for inclusive growth. This dual mission is achieved by forging partnerships with local schools and sourcing saplings from youth and women-led nurseries, thereby creating vital income streams for marginalised communities while channeling the reach of the Group's branch network to plant 1,386,203 trees.

A key to the initiative's success is its network of dedicated Sustainability Champions. Assigned to each planting location, these individuals bridge oversight and community engagement. They conduct regular site visits to offer guidance on sapling care, troubleshoot challenges like pest control or irrigation, and foster a shared sense of responsibility among students and staff. This hands-on support has been instrumental in achieving a survival rate that outpaces traditional planting campaigns.

To ensure precision and accountability, the initiative employs a dynamic digital monitoring system. Branches submit realtime updates via an Excel-based platform, logging tree health metrics, uploading photographic evidence of growth, and flagging emerging issues. This transparency enables rapid responses to threats like disease or drought, ensuring no sapling is overlooked. Complementing these routine checks, annual follow-up visits assess canopy growth and identify areas where intervention may be needed. This process also deepens ties with schools and community partners that sustain the program's momentum year after year.

The initiative's impact is reflected in its significant regional expansion and results across the Group's network in 2024:

schools and 209 of its branches.

KCB Bank Uganda Limited committed to reducing GHG emissions through a reforestation program that planted 10,000 trees across six districts: Arua (1,500 trees), Jinja (1,300 trees), Hoima (2,000 trees), Mbale (1,500 trees), Kampala (900 trees), Mbarara (1,000 trees) and Fort Portal (1,300 trees), with a goal of reaching 12,000 by 2025.

KCB Bank Tanzania Limited, in collaboration with key stakeholders, including the High Commission of Kenya, the East African Community (EAC), Kukua Pamoja Tanzania, and multiple public schools and hospitals, planted 5,332 trees across Dar es Salaam, Arusha, and the Mara River Basin. BPR Bank Rwanda Plc planted a total of 5,500 trees across various locations by staff volunteers at Masaka Sector, Kicukiro District and Buhanda in Ruhango District, Southern Province.

A key to the initiative's success is its network of dedicated Sustainability Champions. Assigned to each planting location, these individuals bridge oversight and community engagement. They conduct regular site visits to offer guidance on sapling care, troubleshoot challenges like pest control or irrigation, and foster a shared sense of responsibility among students and staff.



How BPR Bank is Greening Rwanda One Tree at a Time

t BPR Bank Rwanda Plc, sustainability isn't just a policy, it's a promise. A promise to future generations, to the communities we serve, and to the land we all share. In 2024, this promise took root through the BPR Bank Rwanda Plc Tree Planting initiative, a project designed to promote environmental stewardship while empowering people to become active agents of change.

Planting with Purpose: A Vision Beyond the Numbers

2024 saw the planting of 5,500 trees across two key areas: Kigali City and Ruhango District in Rwanda's Southern Province. These trees are more than just greenery; they represent cleaner air, richer biodiversity, and a tangible step toward climate resilience. As they grow, they'll help capture carbon, rebuild local ecosystems, and beautify communities that are already showing the benefits of environmental care.

BPR Bank Rwanda Plc's tree-planting effort is not just about hitting targets—it's about long-term impact. The Bank sees this initiative as part of a broader contribution to national reforestation, ecosystem restoration, and climate adaptation. By helping to revive degraded landscapes and protect natural habitats, the initiative supports Rwanda's environmental goals and lays the groundwork for a more sustainable future.

2024 saw the planting of 5,500 trees across two key areas: Kigali City and Ruhango District in Rwanda's Southern Province. These trees are more than just greenery; they represent cleaner air, richer biodiversity, and a tangible step toward climate resilience.

People at the Heart of the Initiative

What truly sets this project apart is the people behind it. BPR Bank Rwanda Plc staff rolled up their sleeves, joining hands with local leaders and community groups to plant trees, share knowledge, and raise awareness. These were more than just planting days—they were moments of connection, learning, and collective action. For many, it was a chance to give back to their communities and reflect on the role each person plays in protecting the environment.

The Bank's tree planting initiative is only the beginning. With every tree planted, BPR is investing in the well-being of the people and planet.

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KCB Group maintains a rigorous monitoring system for its green finance portfolio, anchored in a structured process to ensure transparency and accountability.

Green Lending:

With **KShs. 53.2 billion** allocated to sustainable projects in 2024 alone, the Group has now dedicated a cumulative 21.32% of its total loan portfolio to green financing, underscoring its unwavering focus on climateconscious financial solutions.



▲ Environmental and Social Due Diligence:

KCB Group has screened a cumulative total of over

KShs. 1 trillion in loans for environmental and social (E&S) risks. In 2024, the Group continued its commitment to sustainable financing, screening loans worth:

KCB Bank Kenya KShs. 513.9 billion Limited • Corporate Loans: Kshs. 507.3 billion • SME Loans: Kshs. 6.6 billion KCB Bank Tanzania KShs. 24 billion Limited

KCB Bank Uganda KShs. 25.1 billion Limited

National Bank of KShs. 10 billion Kenya Limited

BPR Bank PLC KShs. 5.3 billion

In 2024, we screened loans totaling KShs. 578.3 billion, a milestone underscoring our commitment to embedding environmental and social (E&S) risk management at the core of our lending operations.



B. Deployment of Green Climate Fund (GCF)

In 2020, KCB Bank Kenya Limited achieved a historic CLIMATE milestone by becoming the first financial institution in East Africa to secure accreditation from the GCF for green financing. This landmark recognition positions the Bank to develop and submit concept notes for GCF approval, unlocking access to critical funding for on-lending to organisations driving green and climateresilient projects. Accredited under the medium-to-large private sector category, the Bank is now empowered to advance projects valued between USD 50 million and USD 250 million, strategically channeling resources toward impactful climate mitigation and adaptation initiatives.

> A pivotal step in this journey came with the GCF's approval of a KShs. 69 million Project Preparation Facility (PPF) funding, which will enable the Bank to progress toward submitting a full funding proposal of USD 99 million by 2025. This initiative is projected to benefit a total of 14,789,403 people (direct beneficiaries: 158,547 and indirect beneficiaries: 14,630,857), empowering micro, small, and medium enterprises (MSMEs) through the design and implementation of climate-smart technologies. These innovations aim to integrate sustainable solutions that reduce greenhouse gas emissions, enhance economic resilience for businesses, and align with Kenya's national climate action goals.

USD 250 million

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KShs. 69 million

A pivotal step in this journey came with the GCF's approval of a KShs. 69 million Project Preparation Facility (PPF) funding, which will enable KCB to progress toward submitting a full funding proposal of USD 118.25 million by 2025.

Engagement

Outlook



C. Our Targets

The Group has outlined clear strategic priorities to further expand its green portfolio and strengthen climate risk management:

- Actively pursuing concessional funding to enhance liquidity available for green loans, making them more attractive and accessible to clients.
- Supporting the continuous capacity development of both staff and clients, and to facilitate the development of high-quality, fundable green projects.
- Developing a broader suite of specialised green financing products tailored to different climate finance asset classes, catering to evolving market needs.
- Enhancing frameworks and processes to systematically identify, assess, and manage climaterelated risks within the overall portfolio.
- Investing in systems enhancements to automate the capture of sustainability-related data and streamline reporting processes, improving efficiency and data reliability for decision making and disclosure.

BPR Bank Rwanda Plc's Targets include:

Time Horizon Against Our Targets		
Short Term	Medium Term (2025-2027)	Long Term (2028 and Beyond)
Maintain at least 20- 25% green lending portfolio.	Expand green lending to 25% of the portfolio.	Establish a fully integrated ESG lending framework.
Achieve 5% reduction in carbon emissions annually.	Further improve resource efficiency (power, water, and paper consumption reductions).	Achieve net- zero operational carbon emissions through further efficiency improvements and carbon offset projects.
Conduct ESG training sessions and visits.	Strengthen ESG due diligence. The target is to achieve above 39% ESDD coverage.	Establish BPR Bank Rwanda Plc as a regional leader in green finance.

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The Bank integrates sustainability into risk management processes, which are structured around two pillars:

Risk Identification and Integration

within the ERM framework. This ensures that both physical risks—such as operational disruptions from extreme weather events—and transition risks, including policy changes or market shifts toward low-carbon economies, are evaluated and prioritised alongside climate stress testing will be introduced in 2025. These simulations assess portfolio exposure to abrupt policy or technological transitions, with outcomes directly informing adjustments to risk appetite thresholds and capital allocation decisions. **v** response strategies.

Mitigation Strategies

Quantitative metrics like GHG emissions, energy consumption, and water usage are now embedded in risk appetite statements, creating clear benchmarks for operational and strategic decisions. However, gaps persist in two areas: granular decarbonisation pathways for high-emission sectors and trade-off case studies that balance short-term financial impacts with long-term sustainability goals. Efforts to address these gaps remain ongoing, with crossfunctional teams developing sector-specific roadmaps and scenario analyses to refine risk-

KCB Bank Uganda Limited





The Bank employs a structured, multi-layered strategy to identify, prioritise, and manage sustainability risks, ensuring alignment with both operational objectives and global standards. At the core of this approach is the integration of ESG considerations into established risk management frameworks.

sustainability risks are systematically embedded traditional financial risks. To strengthen this alignment,

Risk Identification and Mitigation ESG risks are systematically evaluated through key processes such as credit underwriting, compliance reporting, and operational monitoring For example, energy consumption metrics are tracked to assess environmental impacts, while sector-specific vulnerabilities are analysed during client onboarding. These risks are cataloged within the Bank's centralised ESG Sector Framework, which standardises risk categorisation and mitigation protocols. Corresponding controls such as due diligence checklists and exposure limits—are embedded into procedural policies, ensuring consistency across the ERM ecosystem.

Climate Risk Prioritisation

To address escalating climate-related challenges, the Bank prioritises both physical risks (e.g., extreme weather disruptions) and transitional risks (e.g., policy shifts toward low-carbon economies) through biannual updates to its Risk Appetite Framework. This process ensures alignment with emerging regulatory requirements and market realities. Once climate risk strategies are approved by executive committees. the Three Lines of Defense model is activated: Business units implement mitigation measures, risk teams monitor adherence, and Internal Audit independently validates outcomes. This layered governance guarantees accountability and robustness in execution

Progress and Ongoing Initiatives

Recent milestones underscore the Bank's momentum. A firm-wide Business Continuity Plan (BCP) has been updated to incorporate FSG risk scenarios enhancing resilience against disruptions tied to climate events or social instability. Concurrently, the Credit Department is advancing two critical projects: a dynamic materiality assessment to refine ESG risk weightings and a sectoral concentration analysis to identify overexposure to high-risk industries. These initiatives aim to sharpen risk-adjusted decision-making, while supporting the Bank's transition to a sustainable finance leader.



Our Risk Management Priorities

A. Integrating Climate Risks into Enterprise Resilience

that aligns with the International Sustainability Standards Board's (ISSB) Risk Management pillar where climate-related risks are assessed and managed alongside traditional risks such as credit, market, and operational exposures. To ensure accountability and robust governance, the Group employs a "three lines of defense" model.

Our scenario analysis and stress testing capabilities are currently under development, aligning them closely with the Central Bank of Kenya's Climate Risk Disclosure Framework. By integrating these tools, we aim to systematically assess the financial impacts of diverse climate scenarios—including transition risks and physical disruptions—across our operations. These evaluations will provide critical insights to guide strategic planning, risk mitigation, and capital allocation decisions, ensuring resilience in the face of evolving climaterelated challenges.

> To operationalise its climate risk strategy, the Group leverages advanced tools and processes. Climate vulnerability mapping is used to pinpoint high-risk geographic regions and sectors, enabling targeted mitigation efforts.

We have adopted a dynamic risk management strategy A The Group further reinforces its approach through a culture of continuous improvement. Policies, procedures, and employee training programmes are regularly updated to reflect evolving regulations, emerging best practices, and stakeholder expectations. This adaptive methodology ensures we remain proactive in addressing climate-related challenges, while maintaining operational and financial resilience.

KCB Bank Kenya Limited

In August 2022, the Bank took a decisive step by updating its ERM Framework to designate climate-related risk as a principal risk category. This elevation reflects the Bank's acknowledgment of climate change as a systemic threat with far-reaching implications for financial stability. The revised ERM Framework mandates continuous monitoring, assessment, and reporting of climate risks, integrating them into the Bank's overall risk profile alongside traditional categories like credit and operational risks. Complementing this structural shift, the Bank overhauled its Risk Appetite Policy to embed explicit sustainability guardrails. The policy now delineates clear thresholds for exposure to carbonintensive industries, mandates stress testing for climate scenarios, and sets targets for green financing.

NBK Limited

The Bank initiates its management of sustainability and climaterelated risks through proactive risk identification. This begins with materiality assessments, which synthesises insights from robust stakeholder engagement and internal analysis to pinpoint the most critical sustainability risks facing the institution.

Our Sustainability and Climate-related

B. Enhancing Nature-related Risk Management

Through the Financial Sector Deepening (FSD) Africa initiative, we undertook a detailed analysis of nature-related dependencies across the organisation's operations. This exercise revealed that agriculture, among other sectors, represents a critical area of exposure due to its inherent reliance on natural systems. Building on these insights, the Group has initiated a structured, phased strategy to embed nature-related considerations into its core activities, ensuring alignment with both risk management and sustainability objectives.



Governance & Accountability

To anchor this transition, the Group is instituting a dedicated governance framework designed to clarify roles, responsibilities, and accountability mechanisms. This structure will integrate nature-related risks into existing risk management systems, while establishing clear progress-tracking protocols. Once internal alignment is achieved, nature-related metrics will be incorporated into executive key performance indicators (KPIs), reinforcing accountability and securing sustained leadership commitment to long-term



Risk Identification & Assessment

A critical step in this process involved mapping the Group's nature-related dependencies across regions and sectors, enabling the prioritisation of risks and opportunities. To ensure methodological rigor, the Task Force on Nature-related Financial Disclosures (TNFD) LEAP framework—Locate, Evaluate, Assess, Prepare—was applied. This approach not only strengthens risk assessment processes, but also informs the development of an implementation framework tailored to high-risk sectors and geographies. The outcomes of this exercise will guide the alignment of governance structures with the most pressing nature-related challenges.



Sector-Specific Focus: Agriculture

Given agriculture's disproportionate exposure to nature-related risks, the Group has prioritised this sector for targeted action. A high-level assessment of dependencies and exposures is underway, complemented by deeper collaboration with stakeholders and environmental experts. These efforts aim to refine the understanding of material impacts, enabling the design of strategies that balance risk mitigation with opportunities for sustainable growth.



Future Commitments & Targets

While quantitative nature-related targets are still in development, the Group is actively advancing toward science-based benchmarks in line with its transition to nature-positive outcomes. This includes aligning strategies with global biodiversity frameworks and sustainability goals to ensure measurable, scalable impacts. By embedding these principles into operational decision-making, the organisation seeks to contribute meaningfully to ecosystem resilience while safeguarding its long-term viability.



Outlook

Our Governance Oversight

The KCB Group Board maintains a rigorous focus on operational excellence and sustainability by conducting quarterly reviews of key performance metrics, ensuring alignment with ESG objectives.

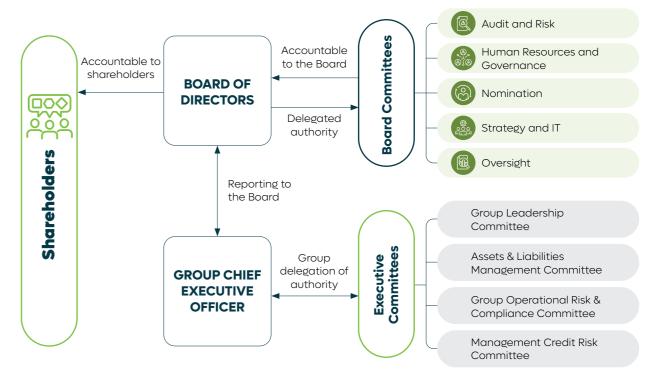
A. Strengthening Governance Structures

to systematically address climate-related risks, transitioning from historical reliance on its Social and Environmental Management System (SEMS) Policy to alignment with global standards. The Group Board oversees sustainability and climate-related matters. Central to this advancement is the enhancement of the Enterprise Risk Management (ERM) Framework, which now formally categorises climate risk as a principal risk. To institutionalise climate considerations, the Group has updated key policies—including the Risk Appetite Policy, Sustainability Policy, and KCB Bank Kenya Limited Credit Policy—explicitly integrating climate risks into decision-making, aiming to align its business practices with the emerging climate risks. This ensures long-term resilience

KCB Group is currently reviewing its governance frameworks ightharpoonup of our operations and assets. Looking ahead, a dedicated Climate Risk framework/policy is under development, targeting Board approval in 2025. This policy will establish accountability mechanisms to steer the Group's transition toward a low-carbon economy.

KCB Bank Kenya Limited

The KCB Group governance framework sees each board delegating authority to board and management committees but retaining ultimate responsibility. This balance is achieved through a governance framework that clarifies roles, responsibilities, and escalation pathways. Regular reporting mechanisms ensure the Board remains informed and capable of intervening where necessary.





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The Sustainability Unit serves as the engine for driving the Group's ESG agenda. Its responsibilities span strategic design, implementation support, and performance evaluation:



Strategy Development and Monitoring: Crafting the Group's sustainability management strategy, setting measurable targets, and tracking progress against benchmarks such as net-zero commitments or the UN Sustainable Development Goals (SDGs).



Governance and Centre of Excellence: Incorporate best in class and appropriate sustainability and ESG practises for mainstreaming and integration across the Group.



Stakeholder Coordination: Collaborating with business units to embed sustainability into core operations, from green financing initiatives to resource efficiency programmes.



Methodologies and Evaluation: Developing tools to assess the viability and impact of sustainability projects, ensuring they deliver tangible environmental, social, and financial returns.



Policy Enhancement: Conducting audits of existing policies to identify gaps and recommending improvements to align with global best practices, such as Task Force on Climate-Related Financial Disclosures (TCFD) guidelines.



Capacity Building: Designing training programmes to enhance employee competencies in sustainability, fostering a workforce capable of advancing the Group's ESG objectives.



Reporting and Disclosure: Preparing detailed sustainability reports for stakeholders, highlighting achievements, challenges, and forward-looking strategies.

BPR Bank Rwanda Plc

The Bank's governance model ensures oversight of sustainability initiatives. The Board Risk Management Committee holds responsibility for approving the Bank's overarching Sustainability Policy, while the Managing Director and Board Strategy Committee allocate resources and track progress. Further oversight is provided by the Board Risk Committee, which addresses stakeholder concerns and refines sustainability policies.

Despite this structured governance, the Bank recognises an opportunity to deepen Board-level expertise in climate-related matters. While certain members hold certifications in sustainability and climate finance, the institution plans to implement structured training programmes to bolster collective competency. Day-to-day coordination of ESG initiatives falls under the purview of the Head of Marketing, Corporate Affairs, and Citizenship, supported by a cross-departmental task force that ensures alignment with business objectives and regulatory standards. Though executive compensation is not yet explicitly linked to sustainability performance, the Bank has taken strides to localise policies, such as its SEMS and Sustainability Policy, to harmonise with KCB Group's broader ESG strategy and IFRS requirements.



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Our Ta Approa Our 2025 ES Outlook Appendice



Our Sustainability and Climate-related

Outlook

CB Group's strategic commitment to digital transformation involves active investment in digital platforms and infrastructure. This investment underpins our development of innovative new digital products and features, with a focus on User Interface (UI) enhancements. Our goal is to strengthen our digital banking position by providing customers with seamless, convenient services, thereby improving their overall experience and driving deeper engagement.

Our Strategic Initiatives

A. Integrating Cybersecurity

that robust cybersecurity is fundamental to building a sustainable and inclusive financial ecosystem. This directly supports SDG 8: Decent Work and Economic Growth, which aims to strengthen the capacity of financial institutions to encourage and expand access to banking and financial services for all.

To foster the trust required for widespread digital adoption, we have fortified our defenses through a dual approach of advanced technology and customer empowerment. This begins with proactive measures like multi-factor authentication (MFA) and Al-driven transaction monitoring to detect and block fraudulent activities in real-time

Understanding that technology alone is not enough, we launched the "Kaa Rada" (Be Alert) initiative to spearhead cybersecurity awareness. Through SMS

As digital banking expands, the Group recognizes A To ensure these educational efforts are truly inclusive and leaves no one behind, we developed tailored solutions for vulnerable communities. We introduced Al-powered gamified learning platforms and lowbandwidth WhatsApp training modules. These tools are localised in regional languages and use adaptive algorithms to personalise bite-sized lessons on savings, loans, and digital security. By enabling access via text and audio in low-bandwidth areas, we have driven a 40% increase in financial literacy engagement within six months in Kenya, Rwanda, and Tanzania, directly contributing to a more resilient and informed user base.

> This culture of security is reinforced internally through regular employee cybersecurity workshops and e-learning modules, with 91% of staff now trained in strict data protection protocols. A 24/7 Contact Centre provides immediate fraud response, minimizing risks



B. Trade-Offs Considered

As a forward-thinking financial institution, we recognise that digital innovation is no longer optional—it is imperative for enhancing operational efficiency, elevating customer experiences, and securing a competitive edge. Yet, this transformation unfolds against a backdrop of significant cost-related challenges. Balancing the urgency to innovate with fiscal responsibility requires a nuanced understanding of these pain points, which simultaneously drives and hinders progress. Below, we explore the critical cost challenges shaping our digital journey and the strategies needed to turn them into opportunities.



Budgetary Constraints: The High Cost of Digital Ambition

Digital transformation demands substantial upfront investments, often straining financial planning. Cutting edge technologies like AI, IoT, and automation require significant capital outlays for acquisition and deployment. Equally costly is modernising legacy infrastructure, as migrating to cloud or hybrid systems entails complex setup and data transfer expenses. Beyond technology, attracting and retaining skilled talent in fields like data science and cybersecurity adds recurring operational costs. These financial hurdles necessitate careful prioritisation and phased implementation to align spending with measurable returns.



Complex Integration: The Hidden Costs of Technological Harmony

Deploying enterprise software—such as ERP or CRM platforms—introduces layered expenses, from licensing and customisation to employee training. However, the deeper challenge lies in integration. New tools often clash with existing IT ecosystems, requiring middleware or custom APIs to bridge gaps, which inflates project timelines and budgets. Worse, poor user adoption due to inadequate training or unintuitive design can erode ROI. Success here hinges on seamless interoperability and a focus on user-centric design to ensure technologies deliver their promised value.



Cybersecurity: The Rising Price of Digital Trust

As operations migrate to centralised digital systems, exposure to cyber threats escalates. The financial and reputational fallout from data breaches looms large, compounded by stringent regulations like GDPR and CCPA that mandate costly compliance frameworks, audits, and infrastructure upgrades. Proactive measures—advanced threat detection systems, dedicated cybersecurity teams, and robust recovery protocols—further strain budgets. Investing in resilience is non-negotiable, transforming cybersecurity from a cost centre into a of customer trust.



Customer Expectations: The Cost of Staying Relevant

Today's customers demand hyper-personalised, omnichannel experiences, compelling institutions to invest in Al-driven analytics and real-time data processing. Delivering seamless engagement across digital and physical touchpoints requires sophisticated CX platforms and automation tools. Meanwhile, slower competitors risk obsolescence, pressuring firms to adopt agile methodologies like DevOps and continuous innovation cycles. The cost of inaction—lost market share—often outweighs the investment required to stay ahead.



Cultural Inertia: The Silent Tax on Innovation

Organisational resistance poses a less visible but equally critical challenge. Siloed operations delay decision-making, while employee apprehensions about job displacement or new tools stifle adoption. Legacy mindsets favoring rigid hierarchies over experimentation further impede agility. Addressing these cultural barriers requires investing in change management, crossfunctional collaboration, and fostering a culture of adaptability to unlock the full potential of digital initiatives.

Balancing the urgency to innovate with fiscal responsibility requires a nuanced understanding of these pain points, which simultaneously drive and hinder progress. Below, we explore the critical cost challenges shaping our digital journey and the strategies needed to turn them into opportunities.



C. Operational Excellence Driving Sustainable Impact

strategic vision, serving as the critical engine for building a more efficient, resilient, and sustainable future. This commitment is institutionalized through robust systems and processes designed to continuously identify, assess, and integrate technological advancements and industry best practices.

Central to this effort is the Business Systems Optimisation (BSO) team, which ensures the seamless adoption of innovations that elevate performance. Key initiatives underscore the Group's forward-thinking approach:

- · The automation of core processes streamlines workflows and significantly reduces resource consumption.
- · Cloud-based solutions enhance scalability and flexibility while optimizing energy usage in IT infrastructure.
- · Advanced data analytics empower real-time, insightdriven decisions, enabling the organization to anticipate challenges and capitalize on opportunities with agility.

These measures collectively optimize efficiency, eliminate redundancies, lower operational costs, and diminish our environmental footprint which directly enhance the quality and sustainability of our service delivery.

Operational excellence is the foundation of KCB Group's & The Group's commitment extends beyond foundational efficiency to the vanguard of digital transformation. We are deploying Al-driven tools to personalize customer interactions and resolve queries precisely, reducing energy and time expenditure. Furthermore, blockchain technology secures transactions, bolstering trust and transparency within the financial ecosystem.

> By proactively embracing these technologies, KCB Group cements its role as an industry leader that balances operational rigor with sustainable innovation. Our dedication to building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation directly aligns with Sustainable Development Goal (SDG) 9: Industry, Innovation, and Infrastructure

Operational excellence is the foundation of KCB Group's strategic vision, serving as the critical engine for building a more efficient, resilient, and sustainable future.

D. Leveraging Digital Platforms for Financial Inclusion

In an era of rapidly evolving expectations, we are committed lacktriangleto harnessing digital innovation to build a more accessible, efficient, and sustainable financial ecosystem. By reimagining traditional banking, we empower individuals and businesses to manage their finances seamlessly and securely, while actively contributing to SDG 9: Industry, Innovation, and Infrastructure by building resilient, inclusive, and sustainable technological infrastructure.

Building an Inclusive Digital Ecosystem

Our core digital platforms such as Internet Banking and the KCB Mobile App are designed for universal ease of use, providing secure, 24/7 access to accounts, payments, and tailored financial solutions. This digital foundation is critical for expanding inclusion. Our Agency Banking Network and Merchant Services bridge critical geographical gaps, bringing essential services like deposits and withdrawals to remote and underserved communities. This reduces the need for travel, lowering the community's carbon footprint while ensuring no one is left behind in the digital economy.

Driving Efficiency

For our business clients, digital solutions are revolutionizing operations with a direct sustainability benefit. KCB One Till streamlines cash management by channeling payments directly into business accounts, significantly reducing the environmental and security risks associated with physical cash handling. Furthermore, our Automated Cash Deposit Machines reduce branch dependency and the associated energy consumption by offering realtime deposits beyond standard hours. The shift to secure Virtual and Prepaid Cards minimizes the resource use and waste linked to physical card production and distribution.

Digitizing Journeys for a Paperless Future

Our strategic transformation extends beyond convenience to digitize entire customer journeys, automating manual processes to unlock unprecedented efficiency and accessibility. Key initiatives include:

- Digital Term Loans for MSMEs and Check-Off Loan **Digitisation:** Creates seamless, paperless experiences that accelerate business growth and simplify management.
- The Worship 360 Platform: Digitally automates administrative tasks for religious organisations, demonstrating how digitization can transform even community-based operations. This systematic move away from paper-based processes directly supports environmental conservation efforts.
- Multi-Currency Cards: Our commitment to financial inclusion is enhanced by the strategic expansion of our multi-currency card solutions. From March to June 2024, the results of this effort were clear: we issued 23,804 cards, which generated a combined total of 519,822 transactions (130,297 at ATMs and 389,525 at KCB POS). The widespread use of these cards drove a monthly average of KShs 56.1 million in ATM transactions and KShs 496.9 million at POS, significantly enhancing financial access for our clients and fostering socioeconomic development for merchants. A key driver of this growth has been the robust adoption of our multicurrency features. The US Dollar was the most popular currency, followed by the Kenya Shilling and the Euro. Transaction frequency grew exponentially each month, culminating in June with a record 156.9 million transactions; nearly half (77.2 million) were in USD.



Always-on Support and Future-Ready Platform

Our commitment to accessible service is underscored by our Multichannel Contact Centre, providing expert, alwaysavailable support through digital channels like WhatsApp, live chat, and social media. This omnichannel approach ensures assistance is always a click away, reinforcing trust and reliability while promoting digital literacy.

Looking ahead, our Next-Gen Mobile Banking Platform will consolidate banking services into a single, intuitive application, putting comprehensive financial control and real-time analytics in the palm of every customer's hand. Through these efforts, we are not just keeping pace with change but are actively building a more inclusive, efficient, and sustainable digital future for all.

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Driving Financial Inclusion

inclusion and supporting micro, small, and mediumsized enterprises (MSMEs), KCB Group, through its Digital Financial Services (DFS) arm, partnered with 20NINE Ltd, the provider of Hifadhi—an innovative digital bookkeeping and payment solution. This exclusive partnership integrates KCB Bank Kenya Limited's digital payment infrastructure, including VOOMA, Lipa Na KCB (LNK) tills, Buni APIs, and KCB agency collections, into the Hifadhi platform to create a seamless financial ecosystem for small businesses across Kenya.

Advancing Financial Inclusion in Kenya

Through this collaboration, Hifadhi users—now numbering over 2,000 small business operators—can receive payments for goods and services, manage their transactions digitally, and maintain proper financial records directly from their mobile phones. These businesses can accept payments via VOOMA and other KCB payment rails, ensuring convenience, transparency, and efficiency in their daily operations.

VOOMA, KCB Bank Kenya Limited's mobile wallet service, continues to play a critical role in expanding access to financial services. It enables users to make payments, borrow micro-loans, and save securely. The integration of VOOMA into Hifadhi not only empowers small businesses to go cashless but also helps them establish a financial track record, which is a key step toward accessing credit.

Digitizing daily operations for small businesses

Hifadhi, designed specifically for the needs of MSMEs, simplifies book keeping by providing tools for recording income, tracking expenses, and generating transaction summaries. This is particularly significant in the informal sector, where many entrepreneurs struggle with recordkeeping due to lack of affordable and accessible tools.

The partnership directly supports the Bank's ESG commitments under its Sustainable Finance and Financial

s part of its continued commitment to driving financial A Inclusion agenda. It strengthens digital payment inclusion, especially among unbanked and underserved communities. while enhancing deposit mobilisation through increased transaction volumes on VOOMA paybills, LNK tills, and KCB agent channels. Moreover, the improved financial transparency offered by Hifadhi makes it easier for these businesses to build credit histories, making them more creditworthy over time.

> This initiative is particularly impactful among women- and youth-led businesses, contributing to greater economic empowerment and resilience. With plans underway to scale the partnership and onboard an additional 10,000 merchants by 2026, KCB Bank Kenya Limited and 20NINE Ltd are setting a new standard for digital financial inclusion in Kenya.

> Through VOOMA and Hifadhi, the Bank is not only digitising payments but also transforming how small businesses operate, grow, and access financial services—playing a catalytic role in Kenya's journey toward a more inclusive and digitally enabled economy.

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Our Metrics and Targets



A. Performance of Our Initiatives

Below are some initiatives we launched in 2024 and their results:

Initiative	Impact
MSME Term Loan	Loans Disbursed: Kshs. 1.52 billion
	Number of Borrowers: 3,488
Mobile Banking	Registered Users: 4 million
i iddioiiii	Average Revenue Per User: Kshs. 400
	Monthly Active Users: 1.2 million
	Number of Transactions: 100 million
	Value of Transactions: Kshs. 500 billion
Digital Lending	Number of Borrowers: 1.8 million
	Number of Business Borrowers: 20, 000
	Amount of Disbursements: Kshs. 418 billion
	Amount of Deposits: Kshs. 10 billion
Vooma Loan	Loans Disbursed: Kshs. 20.08 million
	Number of Borrowers: 3,562
Chama Platform	Active Groups: 2,051
	Active Members: 2,764
	Number of Transactions: 121
	Deposits Mobilised: Kshs. 1,049,273
	Withdrawals: Kshs. 994, 516
Worship 360	Number of Churches Onboarded: 25
Public Sector Growth - Counties	Number of Counties Onboarded: 22
revenue collec- tions, statutory and integration	Number of Ministries, Departments and Agencies (MDA) Onboarded: 32
to ERP	Deposits: Kshs. 2.364 billion





B. Safeguarding Reputation

In line with IFRS S1 requirements, we assess the success of our digital leadership by tracking key sustainability-related risks and opportunities. One critical reputation risk metric is the number of substantiated customer privacy breach complaints.

During the reporting period, we recorded two substantiated privacy breach complaints:

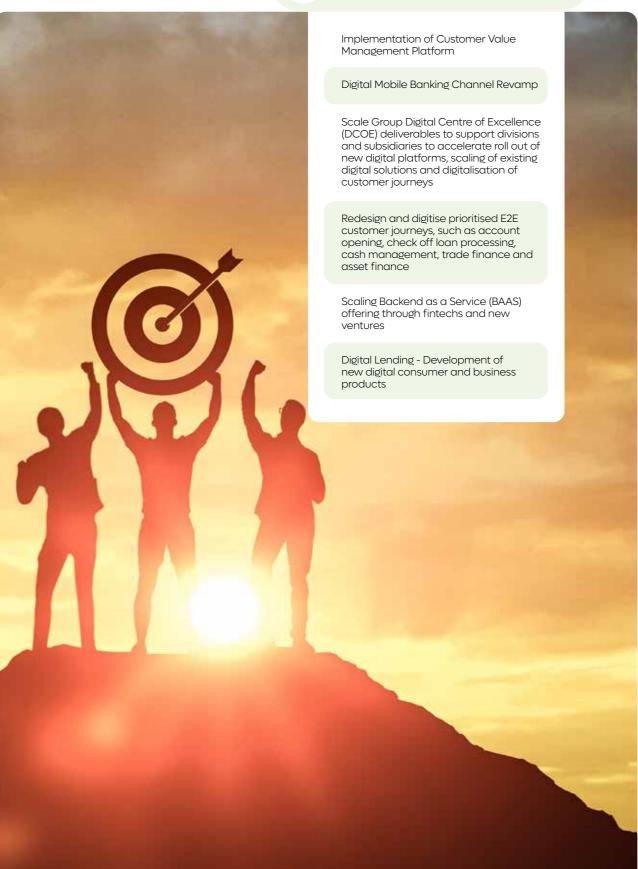
One involved the unauthorised use of an individual's image. The other related to the unlawful disclosure of personal data.

This represents the total validated privacy complaints for the period.

Outlook

C. Our Targets

Below are some of the targets that we seek to achieve in the medium and long term:



Our Risk Management Approaches

Our Tax

A. Technical Safeguards

deeply intertwined with the resilience and integrity of its digital infrastructure. Our comprehensive, multi-layered security framework not only protects customer data and mitigates cyber threats but also directly supports SDG 9: Industry, Innovation, and Infrastructure by building resilient, trustworthy systems that underpin sustainable economic development.

Our strategy is anchored in advanced technical controls designed to safeguard sensitive information. We employ robust encryption for all customer data and enforce strict, role-based access controls. Multi-factor authentication (MFA) for all users adds a critical defense layer against compromised credentials. These measures are continuously reinforced by real-time intrusion detection and prevention systems (IDPS) that monitor network traffic to identify and neutralize threats proactively.

Recognizing the dynamic cyber landscape, we complement these preventive measures with robust response capabilities. A dedicated 24/7 Security Operations Centre (SOC) enables continuous threat surveillance, while a welldefined Incident Response Plan (IRP) ensures any potential breach is swiftly contained, remediated, and communicated with transparency to affected customers.

Our commitment to innovation is exemplified by our 2024 rollout of Zero Trust Architecture (ZTA) and Al-driven threat detection. This strategic advancement has significantly fortified our digital infrastructure against disruptive cyber

KCB Group's commitment to sustainability is ▲ incidents. By implementing micro-segmentation and continuous verification, we have reduced incident response times from hours to minutes. This enhanced resilience is a direct contributor to sustainability: it mitigates the risks of extended system downtime, which can lead to significant energy waste and resource misuse during recovery operations.

> Furthermore, our alignment with the latest NIST Cybersecurity Framework and ISO/IEC 27001 standards validates our preemptive investments in areas like ransomware defense and third-party risk controls. These efforts ensure the continuity of our operations and, by extension, protect the sustainability initiatives that rely on stable, efficient, and uninterrupted digital systems. In essence, KCB's technical safeguards are a critical enabler of a sustainable digital economy, ensuring our services remain secure, reliable, and resilient.

Our strategy is anchored in advanced technical controls designed to safeguard sensitive information. We employ robust encryption for all customer data and enforce strict, rolebased access controls. Multi-factor authentication (MFA) for all users adds a critical defense layer against compromised credentials.



In 2024, the Group introduced layered security protocols to combat rising cyber threats:



Biometric Branch Onboarding:

Customers registering at branches now enroll fingerprints or facial scans, which are later used to authorise high-value transactions in person, reducing impersonation risks.



Real-Time Fraud Detection:

Transactional data from the cloudbased mobile platform is streamed to Al-powered monitoring systems, flagging anomalies (for example, unusual withdrawal patterns) within 10 seconds.



Device & OTP Controls:

Mobile banking app installations are restricted to one device per customer. Auto-read OTPs prevent sharing, while encryption ensures OTPs are never stored on servers.

B. Enhancing Digital Engagement and Efficiency

the principle that true success extends beyond technology adoption to creating tangible value for our stakeholders and operating with greater responsibility. This dual focus on human-centric engagement and operational excellence is central to our sustainable growth model and aligns with our commitment to UN Sustainable Development Goal 12: Responsible Consumption and Production, specifically aiming to achieve sustainable management and efficient use of resources.

To ensure our digital initiatives consistently deliver positive outcomes, we have established robust, accessible mechanisms for gathering feedback and addressing concerns. This commitment is powered by our comprehensive Electronic Customer Relationship Management (e-CRM) platform, which provides stakeholders with unified channels to reach any function within the Group. This capability is reinforced by our 24-hour Contact Centre and dedicated teams trained to handle queries for our digital lending, mobile banking, and other key services. This ensures stakeholder voices are heard and concerns are directed promptly to the appropriate resources, fostering trust and satisfaction.

Concurrently, the strategic digitization and automation of our services, including the deployment of robotics, have been pivotal in driving significant operational efficiencies. By automating routine tasks, we have substantially reduced human error, improved the accuracy of core processes, and unlocked superior resource allocation. This shift optimizes our workforce,

Our digital transformation strategy is founded on A freeing human capital from repetitive tasks to focus on complex problem-solving and innovation.

> A direct result of these improvements is a significantly enhanced Turnaround Time (TAT) and faster resolution rates, leading to a more responsive and efficient service experience. This pursuit of efficiency is inherently sustainable: by streamlining processes, minimizing errors, and optimizing resource deployment, we reduce waste and improve the overall productivity of our operations. This not only results in cost savings and a competitive advantage but also supports SDG 12 by promoting a more sustainable and responsible use of operational resources.

> Ultimately, this multi-faceted approach fuels a powerful cycle of value creation: innovative products and superior customer experiences driven by technological advancement, relentlessly optimized through greater operational efficiency and a deepened commitment to stakeholder

Our digital transformation strategy is founded on the principle that true success extends beyond technology adoption to creating tangible value for our stakeholders and operating with greater responsibility.





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A. Governance Structures

Oversight for the Group's digital transformation strategies and their alignment with sustainability objectives resides with the dedicated Strategy and IT Board Committee. This committee is responsible for steering the delivery of the overarching Group Strategy "Transforming Today Together".

Complementing this strategic oversight, the Group maintains clear policies and procedures to address the inherent risks associated with digital transformation. A robust Third-Party Risk Management framework is firmly established to govern engagements with external vendors and partners. This framework mandates comprehensive due diligence, through risk assessments, and continuous monitoring throughout the entire vendor/partner lifecycle. Crucially, data protection requirements are embedded at every stage, supported by enforceable contractual safeguards, targeted training and awareness programs and oversight mechanisms.

We have a specialised Data Protection Department that is equipped with the necessary expertise and resources to provide organisation-wide leadership on data privacy

▲ matters. Its mandate encompasses critical functions, including continuous oversight of all personal data processing activities, delivering targeted awareness training programmes for staff, and offering expert advisory services across the Group. This centralised function ensures consistent adherence to relevant data protection laws and regulations, embedding privacy considerations into daily operations.

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2024 KCB GROUP SUSTAINABILITY REPORT

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Our Sustainability and Climate-related

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t KCB Group, we remain steadfast in our commitment to fostering inclusive and sustainable economic growth by empowering communities through targeted interventions. Our community-focused initiatives in 2024 were designed to strengthen MSMEs, support women-led entrepreneurs, enhance youth employability, and boost agricultural productivity.

Our Strategic Priorities

Our Foundation activities stand as a of the Group's commitment to fostering sustainable development across East Africa. Aligned with our ambition to be an undisputed leader in financial services, the KCB Foundation serves as a vital platform for addressing pressing socio-economic challenges while enhancing our reputation as a purposeful,

responsible, and sustainable brand. Our Foundation's Reimagined 2023-2027 Strategy is designed to maximise impact through targeted interventions in unemployment, education, and sustainable agriculture, underpinned by robust governance, innovative partnerships and a focus on measurable outcomes.

The KCB Foundation operates as an embedded entity within the KCB Group structure, leveraging the Group's extensive resources, brand equity, and regional footprint to deliver scalable and sustainable programmes. Its mandate is threefold:



Enterprise Development: Creating employment through the 2Jiajiri Programme, especially targeting young people, women, differently-abled persons, refugees and others who face high unemployment rates.



Education: Helping students access education support through provision of holistic high school scholarship and support for tertiary students in KCB Bank Kenya Limited's Scholars programme.



Social Impact: Positioning KCB Bank Kenya Limited as a partner in solving socio-economic challenges, both globally (aligned with the UN SDSs) and locally (supporting Kenya's Vision 2030).

Reimagined Strategy: Pillars and Focus Areas (2023-2027)

The new strategy refines the Foundation's vision to address two critical pillars—enterprise development and education—interwoven with the cross-cutting themes of gender equity and climate-smart solutions. This holistic approach seeks to drive systemic change by tackling structural barriers while fostering inclusive, sustainable growth.

1. Enterprise Development

Kenya's vibrant yet underserved entrepreneurial landscape, home to 7.4 million MSMEs and 2.5 million aspiring youth entrepreneurs, lies at the heart of the Foundation's unemployment interventions. To unlock this potential, the strategy focuses on two transformative pathways:

Leveraging the 2Jiajiri Programme: Small and Medium Enterprises (SMEs) are crucial for job creation and economic health. To combat youth unemployment, the KCB Foundation's 2Jiajiri programme empowers out-of-school youth (18-34) through integrated vocational training, business development, finance, and mentorship. This holistic approach effectively prepares them for entrepreneurship in high-potential sectors like construction, agribusiness, and ICT, spurring the growth of microenterprises and building | planning, the initiative builds climate-resilient and

Scaling Sustainable Agriculture: Shifting from direct farmer aid, the KCB Foundation now empowers ecosystem players to ensure longterm sustainability. This strategy is exemplified by the Mifugo ni Mali Programme, which increases livestock productivity for FPOs in Kenya's ASAL counties. By improving governance, access to credit, market linkages, and value-addition, and by providing training in financial literacy and strategic stronger communities. ▼ efficient agricultural value chains.



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Case Study:

2Jiajiri Project Participant

Gesacho's Factory of Ideas Transforming the Creative Industry

esacho Glaser is a multi-talented artist with expertise in fine art, painting, sculpting, drawing, music (guitar), and videography.

The Birth of Doqmentaz Media

The Kenyatta University graduate (BA in Fine Art Design), and holder of a certificate in film production, founded Dogmentaz Media in 2019 to empower artists to turn their talents into

"My business aims to help artists package and monetise their skills by providing training in various art forms like painting, fashion design, and sculpting. My goal is to help artists develop professional skills, create portfolios, and find market opportunities," said Gesacho.

He focused on film production because it was core to packaging his skills and stories effectively. "As a multi-talented creative, I needed a way to document and showcase my work professionally. Film production allows me to capture creative processes, tell compelling stories, and present my talents in a marketable way." said Gesacho.

KCB Foundation was pivotal in his journey as it provided free comprehensive film production training and business development services training.

"I became a KCB Foundation 2Jiajiri project participant in 2019. I enrolled in the film production programme after seeing a post on Instagram about the 2Jiajiri Programme under the Mastercard Foundation The programme was a comprehensive crash course covering videography, photography, editing, sound production, and production design," Gesacho said.

He added, "After the film production training, I also received Business Development Services (BDS) training from KCB Foundation, which taught me about company registration, accounting, and professional packaging of my skills".

Empowering a Generation of Creative Entrepreneurs

The training enabled him to apply for digital marketing and social media management jobs confidently, creating a professional portfolio, develop his startup, Dogmentaz Media, monetise his creative skills across multiple domains, and provide for his young family more effectively.

"Before the training, I was struggling financially while studying fine art, finding it difficult to pay rent, buy art supplies, and support myself. The film production and business development training transformed my career prospects".

Gesacho added: "After the programme, I was able to generate income by offering videography, photography, and content creation services. This helped me become more financially stable, especially after getting married and having a child. Instead of desperately searching for jobs online, I now have skills and a professional approach to securing contracts."



I became a KCB Foundation 2 Jiajiri project participant in 2019. I enrolled in the film production programme after seeing a post on Instagram about the 2Jiajiri programme under the Mastercard Foundation. The Programme was a comprehensive crash course covering videography, photography, editing, sound production, and production design," said Gesacho.

Gesacho sees his skills as tools to create sustainable opportunities, not just for himself, but for an entire community of creative professionals. This holistic, forwardthinking approach sets him apart from other programme

Engagement

Outlook

Case Study:

2 Jiajiri Project Participant



How Skills Training Turned Peter Otieno's Struggles into Self-Reliance

little more than a dream. Like many young people in Kenya, Peter had grown up surrounded by financial constraints that often threatened to dim his ambitions.

Today, however, he stands tall, not just as a trained builder, but as a young budding entrepreneur ready to take on the world. "My biggest challenge was school fees. I wasn't sure I'd even complete my training. My relief came when the KCB Foundation stepped in," Peter reflected.

The Intervention of the 2Jiajiri Programme

Through the KCB Foundation's 2Jiaiiri Programme, Peter received full sponsorship to pursue a course in construction at Mabati Technical. The Foundation, which aims to equip young people with market-ready skills, not only covered his fees but also provided him with essential training materials.

"We do training and skilling of the youth so they can employ themselves. In the Coast Region alone, we have trained over 600 students. After training, we also incubate them and support them in launching their businesses," said Faith Mayoka Otuki, Business Development Officer at KCB Foundation, Coast Region.

From Graduate to Entrepreneur

For Peter, this support has been life-changing. Beyond the classroom, the Foundation offered a toolkit upon graduation which is an essential starter pack for any budding artisan. But perhaps the most powerful part of the programme was the emphasis on real-world application.

hen Peter Otieno first walked through the gates 🛊 "Our school had a production programme. We built sample of Mabati Technical Training Institute, he carried a | houses to demonstrate what we could do. It was a way to advertise ourselves and show that, even as students, we could handle real projects," Peter explained.

> According to Faith, such initiatives are deliberate. They also do market linkages in the construction field showcasing the skills gained by the students. Now armed with skills, confidence and a growing portfolio, Peter is no longer looking for a job. He's creating one. "I use the projects we did in school to show potential clients and it helps them trust

> Peter Otieno's journey is a reminder that, with the right tools, training, and a little faith, even the humblest beginnings can build the strongest foundations.

We do training and skilling of the youth so they can employ themselves. In the Coast Region alone. we have trained over 600 students. After training, we also incubate them and support them in launching their businesses," said Faith Mayoka Otuki, Business Development Officer at KCB Foundation, Coast Region.

Education stands as one of the most potent tools for fostering social mobility, driving economic empowerment, and accelerating sustainable development. Recognising its transformative power, the KCB Foundation has strategically expanded its education programme to encompass both high school and university scholarships, adopting a holistic approach to dismantle systemic barriers and break the cycle of poverty. This evolution, grounded in rigorous research, stakeholder collaboration, and a nuanced understanding of educational inequities, addresses the multifaceted challenges faced by underprivileged youth. Below is an exploration of the programme's strategic pillars and their far-reaching impact.

Addressing High Demand and **Bridging Secondary-Level Inequities**

The Foundation's Scholarship programme initially focused on enabling bright, financially disadvantaged students to access high school education. However. the overwhelming volume of applications—far surpassing available slots-revealed stark disparities in educational access across Kenya. Two critical issues emerged: persistent financial exclusion, where talented students from lowincome families were locked out of quality secondary education due to unaffordable costs, and regional imbalances, particularly in marginalised arid and semiarid regions, which lacked infrastructure and funding. Without intervention. thousands of learners risked being relegated to intergenerational poverty. By scaling its high school scholarships, the Foundation not only opened doors for these students but also laid the groundwork for long-term societa change.

Confronting Non-**Financial Barriers to**

Education Financial support alone proved insufficient. The Foundation identified socio-cultural and systemic hurdles that disproportionately affected vulnerable groups, especially girls. Teenage pregnancies, early marriages, harmful practices like FGM, and cultural traditions such as Moranism disrupted education, while a lack of psychosocial support left many students grappling with mental health and familial pressures. In response, the program evolved to integrate mentorship, life skills training, and community sensitisation initiatives. By partnering with local organisations to strengthen child protection systems and engaging parents and leaders as education advocates, the Foundation fostered safer, more inclusive environments where students particularly girls could thrive.

Paving Pathways to Tertiary Education

While high school scholarships provided immediate relief, beneficiaries often hit new roadblocks at the tertiary level. Many high-achieving graduates could not afford university or technical college fees, and without advanced skills, their employability remained limited. This gap risked undoing earlier investments To safeguard longterm impact. the Foundation expanded its support to cover higher education, enabling scholars to pursue specialised training aligned with labour market needs. By equipping vouth with degrees and technical certifications, the programme empowers them to secure dignified employment, launch entrepreneurial ventures, and uplift their households: transforming education into a catalyst for generational change

Linking Education to Economic

Empowerment The transition from academia to the workforce is pivotal. To bridge this gap, the Foundation integrates career guidance, internship placements and entrepreneurship training into its programme. Scholars gain practical exposure to industries, develop business acumen, and join robust alumni networks that foster peer mentorship and professional growth. This focus on employability ensures that beneficiaries not only graduate but also contribute meaningfully to Kenya's economy, lifting household incomes and fueling community development.

Supporting Next Generation of

Material Issues

Athletes In 2024 the Foundation piloted an athletic scholarship program for talented. economically disadvantaged students This initiative provides fully funded secondary education and world-class coaching to develop athletes. In support of the National Student Athletes Programme, the Foundation collaborates with the Kenya Academy of Sports through the Ministries of (Public Service. Youth and Gender Affairs) and (Education), with plans to expand to other sports

Case Study:

KCB Scholar



From Despair to Hope

inteen-year-old Benjamin Osango found himself at a 🛦 helped the other boys especially those who were not well off High School in Siaya County. He was excited about the future, but this quickly turned to despair when he remembered that his parents could not afford the required school fees.

Academic Excellence

Benjamin always dreamt of receiving quality education, but that dream was slipping away. "When I received the message that I had been admitted to Maranda High School, I felt that it couldn't be possible because the school fees was very high and I knew my family capability," he said.

Luckily, his teachers informed him about the KCB Foundation (KCBF) scholarship programme, which he applied to and was fortunate to be accepted.

At Maranda High School, Benjamin was an active student who excelled academically in the 2024 class. He helped other students excel as well. According to him, the school environment was supportive, with teachers guiding him and classmates collaborating in discussions. This enabled him score an A minus. Currently, Benjamin is waiting to join The KCBF tertiary scholarship programme.

"He was a student who interacted with other students and always studied ahead of the teachers. The best part is how he

crossroads in life, when he got admitted to Maranda | in class," said John Obonyo, a teacher at Maranda High School.

A Vision for the Future

Benjamin plans to pursue a course in finance and accounting. Additionally, inspired by the support he is receiving through the KCBF Scholarship programme, he gims to start a firm that will partner with the Foundation to help needy students with school fees. He wants to emulate KCB Group CEO Paul Russo by creating an organisation that supports students facing financial challenges.

Benjamin advises all students to do their best in their studies. "Work hard and give out your best grades." He recognises that finding someone to fully support one's education is not easy. "Use your academic performance as a way to appreciate and thank organisations like the KCB Foundation for their support."

Luckily, his teachers informed him about the KCB Foundation (KCBF) scholarship programme, which he applied to and was fortunate to be accepted.

3. Social Impact

communities by investing in initiatives that fundamentally uplift everyday life. Our work, spanning the construction of community centers to foster social connection and the launch of vocational training programmes to empower individuals economically, is designed to deliver a lasting impact. We strive to help communities not only recover from crises but to truly thrive. To achieve this transformative change at scale, our approach is anchored in a shared-value multi-stakeholder collaboration model. We centre our programmes on creating powerful partnerships, drawing on the individual strengths of like-minded institutions to maximize our collective impact for a more resilient future. Through these synergies in education, health, the environment, and humanitarian support, we drive a narrative of transformation—where education meets opportunity, enterprise meets empowerment, and communities rise to bank on themselves.

This is exemplified in our focused impact across key areas: creating access to finance, developing workforce skills for

The KCB Foundation is dedicated to transforming communities by investing in initiatives that fundamentally uplift everyday life. Our work, spanning the construction of community centers to foster social connection and the launch of vocational training programmes to empower individuals economically, is designed to deliver a lasting impact. We strive

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Our Tax

The KCB Foundation's 2024 milestones demonstrate its effective translation of strategic vision into tangible results. Through key partnerships, data-driven solutions, and a commitment to inclusivity, the Foundation is steadily progressing toward its objectives and creating positive change.

Outlook





A. Empowering Schools for a Brighter Future

The KCB Scholars Programme, a transformative initiative bridging educational gaps. In 2024, the programme awarded 1,249 new high school scholarships, complemented by 98 additional students supported through the Ubuntu initiative. Demonstrating academic excellence, scholars achieved a 99% pass rate (C+ and above) in the Kenya Certificate of Secondary Education (KCSE), outperforming the national average.

The KCB Scholars program placed diversity and inclusion at its core, strategically allocating 10% of its scholarships to uplift students from marginalised groups. This includes survivors of FGM, differently-abled students, and teen mothers. In a particularly groundbreaking move, the initiative addresses a key systemic barrier by providing dedicated childcare support for teen mothers. This crucial support system is the program's defining niche, designed to give these young women a second chance and the hope to continue their education.

The programme's emphasis on STEM education yielded remarkable results: 54% of tertiary scholars pursued STEM courses, with female participation reaching 47%—surpassing Kenya's national average of 30%. Alumni success further underscored the initiative's impact, with 80% securing employment post-graduation. Globally, 13 scholars gained admission to prestigious institutions like Harvard and Princeton, cementing the programme's reputation as a catalyst for global excellence.

The Foundation's athletic scholarship program supported 47 student-athletes with a comprehensive four-year package covering both academic scholarships and elite athletic development. The cohort of 25 young women and 22 young men was selected from five partner schools: Kimuron Boys High School, Sing'ore Girls' High School, St. Agatha Mokwo Girls High School, St. Patrick's High School-Iten, and Transcend Talent Academy.



B. Catalysing Entrepreneurship and Economic Growth

The Foundation's enterprise development programmes unlocked opportunities for underserved communities. In 2024, the 2Jiajiri Programme created 8,114 jobs, contributing to KCB Foundation's 60,686 jobs created overall (122% achievement). This was bolstered by toolkit distributions and county partnerships in Homa Bay and Nandi.

Simultaneously, the Mifugo ni Mali Programme uplifted 1,119 poultry farmers and 913 blue economy entrepreneurs with market linkages and extension services.

Access to finance under the 2Jiajiri Programme remained pivotal, with Kshs. 2.58 billion disbursed as loans to 4,000 youth-owned MSMEs, 38% of which were women-led.



60,686 jobs

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Kshs. 2.58 billion

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BPR Bank Rwanda Plc stands as a beacon of diversity and inclusion, with women constituting 48% of its workforce and 38% of its board members—a testament to its commitment to equitable representation.



USD 50 million

Partnerships with the Ministry of Youth and Dot Rwanda have strengthened support for SMEs, while strategic financing agreements with global institutions, including USD 50 million from the International Finance Corporation (IFC) and USD 5.6 million from the Investment Fund for Developing Countries (IFU). These have unlocked critical capital for small businesses.

BPR Bank Rwanda Plc

part of the Enterprise Development, is a transformative initiative driving socio-economic empowerment through targeted interventions. Since its inception in 2018, the programme has generated 485 direct and 259 indirect jobs, with 83 direct and 19 indirect jobs created in the reporting period alone. This emphasis on livelihoods is enhanced by strong educational and outreach initiatives. In 2024, 776 individuals benefited from financial literacy training and 100 scholarships were awarded to help bridge gender gaps in education. During the reporting year, scholarships supported 39 female and 61 male students. Since the

Our Sustainability and Climate-related **Material Issues**

1,526 agents, driving financial inclusion across communities.

Advancing Gender Equality and Inclusion

The programme is deliberate about promoting gender inclusion. Women are encouraged to participate through dedicated outreach and technical support, ensuring they not only access opportunities but also thrive within them. As the programme grows. it continues to bridge gaps in access to finance. education, and opportunity, laying the foundation for a stronger future for all.



Central to the Bank's mission is the BPR Igire Programme, $_{\blacktriangle}$ programme's inception, we have provided support to a total of 488 male and 288 female students.

> Partnerships with the Ministry of Youth and Dot Rwanda have strengthened support for SMEs, while strategic financing agreements with global institutions, including USD 50 million from the International Finance Corporation (IFC) and USD 5.6 million from the Investment Fund for Developing Countries (IFU). These have unlocked critical capital for small businesses. These efforts have catalysed enterprise growth, with Kshs. 13 billion disbursed to SMEs, alongside an expanded network of 76 branches and

KCB Bank Tanzania Limited

initiatives focused on education, youth, empowerment, and economic inclusion, achieving measurable impact across communities. Central to these efforts was the support extended to 2,185 individuals through targeted education scholarships and entrepreneurship programmes. This enabled beneficiaries to access opportunities for personal and professional growth.

A keystone of the Bank's community work was its contribution to sustainable livelihoods, with 607 direct jobs and 947 indirect jobs created through partnerships and enterprise development initiatives. This multi-tiered approach not only empowered individuals but also stimulated local economies, amplifying the ripple effect of inclusive growth.

To strengthen skills and resilience among participants, the Bank prioritised capacity building, organising 22 training sessions that equipped beneficiaries with critical technical, financial, and leadership competencies. These sessions underscored a commitment to long-term empowerment, ensuring individuals could navigate evolving economic landscapes with confidence.

The Bank's strategic strategic collaborations have been pivotal in amplifying its social

address critical gaps in education and economic empowerment. One of its longest-standing alliances, with the Tanzania Education Authority (TEA), began in 2015. Through this partnership, the Foundation has donated 1,500 school desks to underserved schools in Dar es Salaam. This has directly enhanced learning environments for thousands of students and fostered a more conducive atmosphere for academic success. Expanding its focus to youth empowerment, the Foundation partnered with the National Economic Empowerment Council (NEEC) in 2021 to deliver entrepreneurship development training to 304 young individuals. This initiative not only equipped participants with essential business skills but also connected them to vital markets and resources, enabling sustainable income-generating opportunities. That same year, the Foundation further solidified its commitment to youth employability through a 50-50 joint venture with GIZ, a German development agency. This collaboration empowered 960 youth, with 388 receiving specialised training in the construction sector alongside start-up toolkits, enabling them to launch self-employment ventures and contribute to local economic growth.



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1,500

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TMB

partner to the Bismack Biyombo Foundation, an initiative launched by Congolese NBA veteran Bismack Biyombo to catalyse transformative change in the Democratic Republic of the Congo (DRC). Through a holistic approach centred on education, health, and community development, the foundation has become a beacon of hope, addressing systemic challenges and empowering Congolese communities to thrive.

Education lies at the heart of the foundation's mission, unlocking potential by dismantling barriers to learning. By awarding scholarships and investing in educational infrastructure, the foundation ensures Congolese youth can access quality education both locally and abroad. But its impact extends beyond financial aid: it equips students with essential resources, from textbooks to digital tools, while revitalising dilapidated classrooms into vibrant, technologyequipped spaces. These efforts not only foster academic success, but also nurture environments where curiosity and ambition can flourish.

Equally vital is the foundation's role in safeguarding public health, particularly in times of crisis. When the COVID-19 pandemic strained the DRC's fragile healthcare system, the foundation mobilised swiftly, delivering over USD 1 million in life-saving medical supplies—including PPE, ventilators, and testing kits—to hospitals nationwide. This rapid response underscored a broader commitment to building long-term resilience. Ongoing initiatives focus on constructing clinics, expanding access to preventive care, and combating diseases like malaria and cholera that disproportionately affect underserved regions.

For over a decade, the Bank has stood as a steadfast \$\| \] The foundation's vision for community development is rooted in unity and collective action. Recognising the power of sports to inspire and unite, it organises basketball clinics that mentor young athletes, instilling values of leadership, discipline, and teamwork. Beyond the court, the foundation prioritises infrastructure projects that uplift daily life: installing clean water systems to combat waterborne illnesses, building community centers to foster social cohesion, and launching vocational training programmes to spur economic empowerment. Each initiative is designed not just to meet immediate needs but to lay the groundwork for sustainable, community-led progress.

> Education lies at the heart of the foundation's mission, unlocking potential by dismantling barriers to learning. By awarding scholarships and investing in educational infrastructure, the foundation ensures Congolese youth can access quality education both locally and abroad. But its impact extends beyond financial aid: it equips students with essential resources, from textbooks to digital tools, while revitalising dilapidated classrooms into vibrant, technology-equipped spaces.



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Executive Summary

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KCB Bank Uganda Limited

Through the Bank's community initiatives, it equipped 225 beneficiaries with vocational expertise across highdemand trades, including Fashion Design, Hair & Beauty, Carpentry, Electrical & Solar Engineering, and Welding. These programmes not only enhance employability but also create pathways for sustainable livelihoods in growing industries.

To further amplify the impact of skilling initiatives, 16 specialised training sessions were conducted in collaboration with eight partner vocational training institutions. Each skilling period was reinforced with two business development support sessions, ensuring beneficiaries gain technical proficiency and critical entrepreneurial skills to navigate competitive markets.

Practical support remains a cornerstone of the Foundation's approach. Notably, three loans totaling Kshs. 135,574 were disbursed to beneficiaries, enabling the procurement of essential toolkits—two for mechanical engineering and one for construction. These investments in equipment empower graduates to launch or scale their ventures, transforming skills into tangible economic opportunities.



Kshs. 135,574

Practical support remains a cornerstone of the Foundation's approach. Notably, three loans totaling Kshs. 135,574 were disbursed to beneficiaries, enabling the procurement of essential toolkits—two for mechanical engineering and one for construction.

KCB Foundation equipped 225 beneficiaries with vocational expertise across high-demand trades, including Fashion Design, Hair & Beauty, Carpentry, Electrical & Solar Engineering, and Welding.



Twekozese (2Jiajri) project participant



Mercy's Journey from Learner to Leader

she recalls a time when her dream of becoming a carpenter seemed out of reach. She had enrolled in a carpentry course at an institute in Kireka, a Kampala suburb, but financial constraints forced her to put her aspirations on hold. It was not until she joined the KCB Foundation's Twekozese Programme that her ambitions began to take shape again.

Impact of the Twekozese Programme

Thanks to the fully sponsored training at Lugogo Vocational Institute, Mercy was able to complete her course and secure an opportunity to work with Pristine Woods, a carpentry business based in Kampala's industrial area. Today, she is no longer a student but a full-time carpenter confidently creating elegant beds, stylish sofa sets, and office furniture that consistently impress her clients.

With every piece she builds, Mercy becomes more skilled and more hopeful. The training gave her more than just technical knowledge; it empowered her to dream bigger. Her goal now is to set up her own carpentry workshop and showroom—an enterprise where she can not only design and sell furniture but also provide employment for other young people who, like her, are seeking a second chance.

Excellence in Professional Practice

Mercy is deeply grateful for the opportunity the KCB Foundation gave her. She often encourages other youth to embrace such programmes when the chance arises, believing they hold the power to transform lives.

hen Katusiime Mercy looks back on her journey, 🛦 Her commitment and progress have not gone unnoticed. Her supervisor at Pristine Woods speaks highly of her discipline, dedication, and consistency, highlighting that, from the very first day of training, Mercy stood out. She never missed a class, was fully engaged, and now independently produces furniture in large volumes, an impressive feat for someone so early in her career.

> As Mercy continues to grow, her story serves as a reminder of what young people can achieve when given the right tools and opportunities. With determination in her hands and dreams in her heart, she is not only crafting furniture, but a better future as well.

Thanks to the fully-sponsored training at Lugogo Vocational Institute, Mercy was able to complete her course and secure an opportunity to work with Pristine Woods, a carpentry business based in Kampala's industrial area. Today, she is no longer a student but a full-time carpenter confidently creating elegant beds, stylish sofa sets, and office furniture that consistently impress her clients.

Twekozese Project Participant Case Study:



Plumbing New Possibilities:

Herbert's Path to Self-Reliance

or Leto Herbert, plumbing was more than a trade—it was 🛦 expanding his network, building his reputation, and moving a path to independence. Growing up in Arua, Northern | closer to a sustainable and independent future. Uganda, he noticed a rising demand for plumbing services. Motivated by the opportunity to meet this need and create a career for himself, Herbert set out to pursue formal training. However, like many young people in his community, he lacked the financial means to fund his education.

Training, Mentorship and Apprenticeship

That changed in 2022 when Herbert was selected to join the KCB Foundation's Twekozese Programme, where he enrolled in a plumbing course at Arua Technical Institute. The programme offered hands-on skills training, mentorship and assessment through the Directorate of Industrial Training (DIT). Following his studies, he secured industrial training with a private plumber, allowing him to apply his knowledge in real-world situations and build confidence in his craft.

Herbert's commitment paid off. At his graduation ceremony, he was named among the best performers and was awarded a starter toolkit to help him launch his plumbing career. That kit became the foundation of his freelance practice—an enterprise he now manages with pride.

Currently, he balances professional work with further studies, continuing to refine his skills while offering services to households and subcontracting on larger projects in Arua. With every tap he fixes and every pipe he lays, Herbert is

Creating Lasting Impact

Reflecting on how far he's come, Herbert attributes his success to the opportunity the KCB Foundation provided. Before the programme, his ambitions were stalled by circumstance. Now, he is on a path of progress—one job, one client, one dream at a time.

As he puts it, "The journey has only just begun, but I now see a bright future. I have what I need to build a career and contribute meaningfully to my community."

The programme offered handson skills training, mentorship and assessment through the Directorate of Industrial Training (DIT). Following his studies, he secured industrial training with a private plumber, allowing him to apply his knowledge in real-world situations and build confidence in his craft.



C. Strengthening Communities and **Championing Sustainability**

The Foundation's Corporate Social Investments (CSI) prioritised holistic community development. Humanitarian efforts included drought and flood relief, medical camps, and aid for displaced families. Education infrastructure received a 49% allocation of CSI funds, enabling the construction of dormitories, classrooms and labs.

Water scarcity was addressed through 5 boreholes in Marsabit, providing 7 million litres annually to 27,000 households and 100,000 livestock. Environmental sustainability took a leap forward with Kshs. 32 million allocated to LPG distribution across 10 high schools, aligning with global climate action goals.



5 boreholes

Water scarcity was addressed through five boreholes in Marsabit, providing 7 million litres annually to 30,000 households and 100.000 livestock.

USD 13.6 million

Strategic partnerships amplified impact, enabling the training of 4,886 youth through county Memorandums of Understanding (MoUs) worth Kshs. 238.4 million and securing substantial donor funding of USD 13.6 million from the Mastercard Foundation and USD 347,000 from GIZ.



D. Quantifying Our Social Return on Investment (SROI)

At the heart of the KCB Foundation's mission lies a steadfast commitment to generating measurable, sustainable social impact through its programs. Guided by the 2023-2027 Strategic Plan, the Foundation has established a rigorous impact measurement framework designed to track and quantify the impact of progress. This framework not only aligns with global best practices but is also tailored to advance the Foundation's strategic objectives. By prioritising evidence-based accountability, every intervention is held to the highest standard, ensuring tangible social, economic, and environmental benefits for communities across its operational footprint.

1. Impact Measurement Framework

Central to the Foundation's approach is the development of a Theory of Change (ToC) for each strategic outcome area, providing a clear roadmap for achieving lasting impact. This ToC is operationalised through two core components.

Logical Frameworks (Logframes)

These tools define explicit outputs, outcomes, and impact indicators directly tied to programme objectives. By establishing structured performance benchmarks, the Foundation systematically tracks progress against predefined targets, ensuring alignment with overarching goals.

Outcome Harvesting

Beyond predefined metrics, this method captures both intended and unintended results through direct project participant feedback and stakeholder engagement. Insights gathered here inform adaptive programme strategies, enabling the Foundation to refine interventions based on real-world evidence and contextual dynamics.



Our Sustainability and Climate-related

The Foundation employs a multi-layered approach to data collection and verification, combining technology, longitudinal analysis, and economic evaluation to uphold accuracy and inclusivity.

- a. Digital Monitoring & Evaluation Platforms: Real-time dashboards disaggregate data by gender, geographic location, disability status, and socio-economic background, enabling nuanced, inclusive impact assessments.
- **b. Annual Tracer Studies:** These studies track beneficiaries' journeys from skills training to employment or enterprise development, offering critical insights into the long-term sustainability of interventions.
- c. Cost-Benefit Analysis: By comparing program costs against socio-economic outcomes, the Foundation identifies high-impact interventions, optimizing resource allocation for maximum efficiency.
- d. Benefits Realization Tracking: Key metrics such as income growth, market expansion, and financial inclusion are continuously monitored to validate program success and inform iterative improvements.



3. Social Value Creation

To translate impact into actionable insights, the Foundation applies advanced monetisation techniques, assigning value to social, economic, and environmental outcomes. This approach enables stakeholders to contextualise impact in tangible terms—for instance, calculating the economic value of a youth employed through vocational training or the environmental benefits of a clean energy initiative.

Programme Area	SROI Metrics	Quantification Methods
Scholarship	Transition to universityLeadership developmentEducation completion rate	Academic trackingMentorship reportsAlumni success studies
Job Creation	 Economic multiplier effects Jobs created: This is defined as jobs improved, jobs maintained and new jobs created. 	 2Jiajiri & Mifugo ni Mali impact studies
Enterprise Incubation	Revenue growthAccess to financeEnterprise survival rate	Business financial recordsLoan uptake trackingAnnual business surveys

Outlook

4. Contribution of Strategic Thrusts to SROI Goals

The Foundation amplifies its impact through three interconnected strategic pillars, each aligning with specific SROI objectives:

Philanthropy: Building Foundations for Equity

 $Focused \ on \ addressing \ systemic \ inequities, philanthropic \ initiatives \ generate \ long-term \ social \ returns. \ Scholarships,$ for example, reduce generational poverty by elevating beneficiaries' lifetime earning potential. Infrastructure projects—such as schools, WASH facilities, and community markets—enhance productivity by reducing time spent on basic needs and improving access to services. Humanitarian relief stabilises vulnerable populations, enabling faster economic recovery and mitigating downstream social costs.

Corporate Social Investment (CSI): Aligning Purpose with Profit

CSI initiatives bridge business objectives with societal value. Programmes like 2Jiajiri, Young Africa Works, and Mifugo ni Mali, stimulate enterprise growth and job creation, directly contributing to national GDP. Shared-value partnerships, such as skills development in alignment with industry needs, strengthen brand equity while generating measurable societal returns. These initiatives ensure that social impact is both sustainable and scalable.

Volunteerism: Humanising Impact

Volunteerism fosters grassroots engagement and trust. Pro bono services, including financial literacy training and mentorship, are monetised using market-equivalent rates for professional services, translating time and expertise into quantifiable value. Programmes like Ubuntu embed employees within communities, enhancing program effectiveness through localised insights and building social capital. This human-centred approach not only deepens impact but also strengthens the Foundation's legitimacy and reach.



E. Diversity and Inclusion Impact

Through the KCB Foundation, we have embedded diversity and inclusion as a core pillar across all our flagship programmes, ensuring equitable access to education, skills training and economic empowerment for marginalised communities.

Overall Reach and **Beneficiaries**

a. Education and Scholarship **Programmes** Total Beneficiaries: Over 5,600 economically disadvantaged students supported through high school and university scholarships since inception.

Our Sustainability and Climate-related

Gender Inclusion: 50% of beneficiaries are female, ensuring balanced access to education. **Special Focus Groups:**

- · Teenage mothers reintegrated into a full schooling cycle.
- · Anti-FGM champions supported to continue schooling.
- · Differently-abled students provided with adaptive learning aids.
- · Talented athletes from marginalised communities.
- · ASAL-region students overcoming geographic and economic barriers.
- b. Skills and Enterprise Development **Programmes**
- Vocational Training for differently-abled persons: More than 120 differently-abled persons have been equipped with technical skills, start-up kits, and tailored support.
- · Women & Youth Empowerment: Over 90% of project participants in 2 Jiajiri and Young Africa Works (YAW) are women and youth, fostering financial independence.

Scholarships - Transition Rates

a. Economically Challenged Female Students

High School to University Transition Rate: 82% of female scholarship recipients progress to tertiary education, surpassing national averages.

Key Success Factors:

- Mentorship & Psychosocial Support: Structured guidance to navigate academic challenges.
- Academic Monitoring: Regular performance tracking to ensure retention.
- Leadership Development: Empowerment initiatives to build confidence and career

b. People who are differentlyabled

High School to Higher Education Transition Rate: 65% of project participant who are differently-abled advance to universities or specialised colleges. Inclusive Support Mechanisms:

• Adaptive Learning Tools: Provision of assistive devices and accessible learning materials.

- Partnerships with Inclusive Institutions: Collaboration with universities offering tailored programs for persons who are differently-abled.
- · Community Advocacy: Awareness campaigns to reduce stigma and promote inclusive education.

Skills Training to Enterprise -**Transition Rates**

a. Female Graduates of Vocational Training

Transition to Business/Start-Up: Over 75% of trained women under 2Jiajiri and YAW have established income-generating activities

Enabling Factors:

- Seed Capital & Grants: Financial support to launch micro-enterprises.
- Market Linkages: Access to supplier networks and customer bases.
- Women-Led Business Development Services (BDS): Tailored mentorship for female entrepreneurs.

b. Differentlyabled persons in Skills Training

Enterprise Setup Transition Rate: Approximately 70% of trainees who are differently-abled transition into self-employment.

Inclusive Empowerment Strategies:

- Customised Tools & Workspaces: Adaptive equipment for different disabilities.
- Specialised Mentorship: Training by experts in disability-inclusive business models.
- Ongoing Ecosystem Support: Access to disability-friendly financial and market opportunities.

Design **Features** Supporting Inclusion

- Affirmative Selection Criteria: Prioritising women, differently-abled persons, and marginalised groups in project participants recruitment.
- · Accessible Training Infrastructure: Disability-friendly vocational centres with assistive technologies
- Community Sensitisation: Grassroots engagement to dismantle biases and encourage participation
- · Holistic Post-Training Support: Financial, technical, and mentorship backing to ensure sustainability.



Our Governance Oversight

KCB Group plays a pivotal role in driving sustainable community development through structured governance, strategic alignment, and measurable impact. Anchored in Portfolio Management governance principles, the 🔻

Foundation's three-tiered governance framework ensures accountability, operational efficiency, and long-term sustainability across all initiatives.

A Three-Tiered Governance Framework

1. Foundation Board – Strategic Oversight

The KCB Foundation Board of Directors serves as the highest governance body, providing fiduciary oversight and strategic direction. Its key responsibilities include:



Strategic Approval:

Setting long-term goals, approving annual budgets, and ensuring alignment with the Foundation's mission and KCB Group's sustainability agenda.

Performance Evaluation:

Monitoring programme effectiveness through KPIs linked to the SDGs and national priorities

Ethical & Risk Governance:

Upholding compliance, mitigating risks, and ensuring transparency in operations through regular audits and stakeholder reporting.

2024 KCB GROUP SUSTAINABILITY REPORT 2024 KCB GROUP SUSTAINABILITY REPORT Our Sustainability and Climate-related

The KCB Group EXCO bridges the Foundation's work with the Group's corporate strategy, fostering synergy across business and social impact objectives. Its role includes:



Strategic Integration:

Aligning Foundation programmes with KCB Group's shared value approach, ensuring initiatives complement financial inclusion, digital transformation, and customer outreach.

Resource Optimisation:

Leveraging Group-wide expertise in finance, technology, and market reach to scale community programmes efficiently.

Sustainability Linkages:

Embedding ESG principles into program design to support the Group's CSI commitments.

3. Foundation Management - Operational Leadership

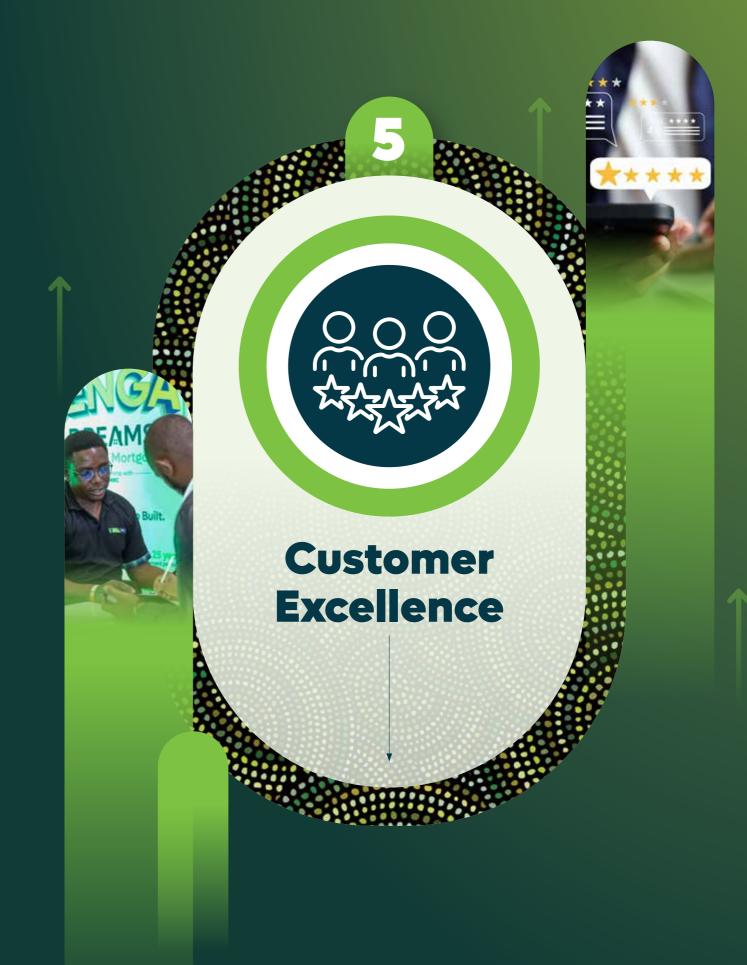
Day-to-day implementation is led by the Director of the KCB Foundation, supported by specialised teams to ensure programme effectiveness, financial discipline, and risk management. The operational structure includes:

Function	Responsibilities
Programmes	Thematic execution (education, enterprise development and upskilling), project participant engagement and support.
Finance	Budget Control, financial reporting, grant management and compliance.
Risk and Compliance	Internal controls, risk mitigation, and adherence to donor regulations.
Monitoring and Evaluation	Impact assessment, SROI tracking, and evidence-based reporting.
Fundraising and Partnerships	Resource mobilisation, donor relations, and strategic collaborations with NGOs, government and private sector.
Communication	Managing internal and external reputation, executing strategic communication plans, managing media relations
Safeguarding	Ensure all programs adhere to the highest ethical standards, implement robust reporting mechanisms for safeguarding concerns

The Foundation's governance model is guided by best-practice Portfolio Management principles, ensuring systematic and results-driven interventions.

A	MODEL COLOR AS IN COLOR
Governance Principles	KCB Foundation Application
Strategic Alignment	Board & EXCO oversight ensures programmes support KCB Group's strategy, SDGs, and national development agendas.
Clear Roles and Accountability	Well-defined responsibilities across governance tiers eliminate duplication and enhance decision-making efficiency.
Stakeholder Engagement	Multi-stakeholder partnerships with government, private sector, and civil society, regular impact reporting and convenings.
Performance and Impact Tracking	Robust M&E systems measure project participant outcomes, job creation, and enterprise sustainability (SROI analysis).
Risk Management	Proactive risk assessments, mitigation frameworks, and Group-wide audit protocols.
Transparency and Reporting	Annual reporting through the sustainability reports, financial disclosures, and donor-specific compliance.

Our Tax Approac Our 2025 ES Outlook Appendice



imate-related

Engagement Approach Outlook

t KCB Group, our customers are our top priority. Serving 33 million customers - a growth of 3 million since 2023 - reflects our commitment to excellence, and we are proud of this significant milestone. We recognise the critical role of improving customer satisfaction and providing an outstanding experience. To accomplish this, we have cultivated a culture centred around our customers, introducing targeted initiatives and leveraging KPIs to track progress and inform our strategies.

Our Strategic Integration



A. Enhancing Financial Inclusion

Financial inclusion remains a pillar of the Group's overall strategy, ensuring that banking services are accessible to all, including differently-abled customers. During the reporting period, we reinforced our commitment to equity and inclusivity by implementing targeted initiatives that eliminate barriers and foster a seamless banking experience for underserved communities. Our key Initiatives include:

1. Enhancing Accessibility Across Platforms

KCB Group prioritised universal access by upgrading physical branches and digital platforms. Branch infrastructure was redesigned with ramps, tactile pathways, wheelchair-friendly counters, and assistive listening devices to accommodate customers with mobility or sensory impairments. Digitally, the integration of screen readers, voice-enabled banking solutions, and fee waivers on select accounts ensured seamless transactions for visually and hearing-impaired users, reducing financial burdens and promoting independence.

To sustain inclusivity as competitors abandon USSD, the Group prioritised:

USSD Retention:

All new products, including microloans and insurance, are compatible with **USSD (*#100#)** for feature phone users. The channel's infrastructure was optimised to reduce latency

Lightweight App Optimisation:

The mobile app's data consumption was slashed by implementing client-side validation logic, minimising backend exchanges. Offline functionalities for balance checks and by 25%. The mobile app's data consumption was slashed by implementing client-side validation logic, minimising backend exchanges. Offline functionalities for balance checks and transaction history were added.

2. Empowering Through Financial Literacy

Recognising knowledge as a catalyst for economic agency, the Group conducted specialised financial literacy training for 95 differentlyabled persons, equipping them with skills in savings, credit management, and digital banking. Further integration into entrepreneurship programmes like 2Jiajiri and Biashara Club provided differently-abled persons with tools to build sustainable livelihoods, aligning financial education with tangible opportunities for growth.



3. Product Innovations

In alignment with our commitment to sustainability and customer-centric innovation, we successfully launched a suite of purpose-driven products designed to enhance long-term value for our clients while fostering meaningful societal impact. Each offering reflects our dedication to addressing diverse needs across segments, ensuring financial security and resilience for individuals, businesses, and communities.

KCB Bank Kenya Limited introduced the Wealth Builder Cover which reimagines retirement planning by empowering customers to save and invest for their future while extending life cover beyond 80 years—a pioneering feature that bridges the gap between financial planning and lifelong protection. This solution not only safeguards families but also encourages disciplined savings, reinforcing long-term financial stability.

For MSMEs, Linda Biashara delivers holistic support by combining business asset protection with group life insurance and Work Injury Benefits Act (WIBA) coverage for employees. By mitigating operational risks and prioritising employee welfare, this package strengthens business continuity while fostering loyalty and productivity within Kenya's vital MSME sector.

Recognising the unique needs of female customers, Lady Auto offers tailored motor insurance with discounted premiums and expanded benefits. Informed by claims data highlighting lower risk profiles among women drivers, this product promotes affordability and inclusivity while rewarding safe driving practices.

Expanding our public sector engagement, we introduced a specialised medical offering for county government personnel. Developed through close collaboration with local authorities, this solution addresses the distinct healthcare needs of public servants, cementing partnerships that enhance service delivery and institutional well-being.

Finally, our Trust Accounts provide a legacy management framework, ensuring policyholders' insurance benefits are distributed according to their wishes, even in their absence. This feature underscores our focus on generational financial security, offering peace of mind to customers and safeguarding the futures of their beneficiaries.

Recognising the unique needs of female customers, Lady Auto offers tailored motor insurance with discounted premiums and expanded benefits.



Beyond 80 Years

KCB Bank Kenya Limited introduced the Wealth Builder Cover, which reimagines retirement planning by empowering customers to save and invest for their future while extending life cover beyond 80 years—a pioneering feature that bridges the gap between financial planning and lifelong protection.



We are dedicated to advancing financial inclusion by delivering tailored products and services to underserved communities, including youth, women, and low-income earners. Our strategy is rooted in data-driven decision-making, supported by measurable targets and KPIs that enable us to evaluate impact, refine approaches, and ensure accountability.

To uphold this commitment, we rigorously monitor four critical dimensions of success:

i. Growth in Accounts Held by Underserved Segments

We track the number of accounts opened annually by youth, women, and low-income individuals against predefined benchmarks. This metric gauges the efficacy of targeted solutions—such as low-cost accounts, youth-centric savings plans, and women-focused lending initiatives—in reaching their intended audiences. By aligning product design with the unique needs of these groups, we aim to bridge gaps in financial access.

KCB Bank Tanzania Limited has demonstrated a strong commitment to expanding financial inclusion across the country by leveraging innovative strategies and infrastructure development. Central to this mission is the Bank's focus on digital outreach, which has enabled it to deliver accessible and affordable services to a broader population. Through a network of over 600 KCB Agents and strategically deployed Point-of-Sale (POS) machines, the Bank ensures that even remote communities can conduct transactions conveniently. Complementing these efforts is the KCB Mobile Banking App, which provides a secure, user-friendly platform for customers to manage accounts, transfer funds, and access loans without the need for physical branch visits. This digital ecosystem underscores the Bank's dedication to reducing barriers to financial services while maintaining cost efficiency. In parallel, the Bank has bolstered its physical presence to address the nuanced needs of underserved populations. By expanding its branch network from 16 to 18 locations in 2024, the institution deepened its reach into remote areas





600 KCB Agents

Through a network of over 600 KCB Agents and strategically deployed Point-of-Sale (POS) machines, the Bank ensures that even remote communities can conduct transactions conveniently.

where tailored financial solutions—such as agricultural loans, savings programs, and SME support—are critical. This dual approach of combining digital innovation with strategic branch expansion ensures that customers, regardless of location, can access services that align with their unique circumstances

Additionally, KCB Bank South Sudan Limited prioritised bridging the financial access gap through innovative and inclusive solutions tailored to the needs of underserved populations. The key measures employed include:

Cash Drops in Remote Regions: To

address liquidity challenges and ensure communities in hard-toreach areas could participate in the formal economy, the Bank conducted strategic cash drops. Such interventions provided critical access to funds for daily transaction, business operations. and emergency needs, particularly in regions lacking physical bank branches

Expansion of Agent Banking Networks:

Leveraging a network of trusted agents, the Bank extended its service to remote and rural areas. These agents acted as mobile banking hubs, enabling customers to deposit, withdraw and transfer funds without traveling long distances. This model not only improved convenience but also stimulated local economies by integrating more individuals into the financial ecosystem.

Financial Literacy Programmes:

Recognising that access alone is insufficient, the Bank launched financial education initiatives to equip customers with skills in budgeting, savings and digital banking. Such programmes targeted women, youth, and small business owners empowering them to make informed financial decisions and leverage banking products effectively.

TMB aims to amplify its social-economic impact through ♠ expansion of financial access for underserved communities, technology-driven financial inclusion. A notable innovation is the Commodity Voucher System, which replaces cash transfers with e-vouchers for marginalised communities, ensuring funds are used for essential goods. Mobile banking services now reach 200,000 individuals monthly, including displaced populations in conflict zones, enhancing financial resilience

In alignment with KCB Bank Uganda Limited's commitment to social priorities, the Bank is driving meaningful progress in fostering inclusion and equity through targeted financial and skills-based interventions. Central to this mission is the

with 45% of mobile loan disbursements strategically allocated to marginalised regions. This initiative not only bridges the gap in financial inclusion but also empowers individuals in areas traditionally overlooked by mainstream banking services.



200,000

Mobile banking services now reach 200,000 individuals monthly, including displaced populations in conflict zones, enhancing financial resilience.

Outlook

ii. Adoption of Digital and **Mobile Banking Solutions**

Accessibility lies at the heart of inclusion, and technology serves as a foundation of our efforts. We measure the volume of accounts opened through mobile platforms and analyse the value and frequency of loans disbursed digitally. These insights reveal how effectively we are dismantling geographic and logistical barriers, particularly in rural and marginalised areas, by empowering users with convenient, tech-enabled

During the phased rollout of the Group's redesigned mobile banking app, we executed a multi-channel communication campaign to ensure seamless adoption:

PIN Management Campaigns: Staff and customers received targeted training via in-app notifications, SMS, and branch workshops to emphasise secure PIN practices, including biometric integration and twofactor authentication

SMS Alerts: Over 2 million customers in

rural regions were sent step-by-step guides via text messages during the app launch, with embedded links to video tutorials hosted on lightweight data platforms.

Internal Agile Training: Collaborated with IQ Business, the Group implemented Agile 101 workshops for **over 5,000** employees, enabling interative product development and rapid issues resolution during the mobile app's deployment.

iii. Customer Satisfaction and Loyalty (Net Promoter Score - NPS)

Customer perception is pivotal. We assess satisfaction levels for inclusion-focused products using Net Promoter Scores (NPS), which highlight trust, usability, and overall experience. High scores signal strong alignment with customer needs, while lower ratings pinpoint opportunities to enhance product features, accessibility, or support services.



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iv. Product Performance Metrics

Regular reviews of uptake rates, transaction volumes, and customer retention for inclusion-oriented products ensure their continued relevance and competitiveness. This ongoing analysis allows us to adapt swiftly to evolving market demands, ensuring our offerings remain practical, impactful, and responsive to the communities we serve.

v. Empowering Innovation

We have enabled over 2,000 developers to explore and leverage our APIs, fostering a vibrant ecosystem of innovation. Currently, 355 fintechs and startups are integrated with our APIs, building solutions that streamline payment collection and disbursement. This connectivity empowers these businesses to create efficient, scalable apps that drive economic progress.

vi. Enhancing Financial Interoperability

KCB Group is dedicated to fostering seamless financial access through interoperability. We seek to ensure that customers can transact effortlessly across diverse platforms. Our infrastructure enables Airtel Money users to make payments at KCB merchants and deposit or withdraw funds at KCB agents. This integration bridges gaps in financial services, promoting inclusion and convenience for customers across diverse platforms.

vii. Supporting Small Businesses with Zed ERP

We are proud to offer Zed ERP; an affordable enterprise resource planning solution tailored for small businesses. Zed enables these businesses to efficiently run their operations in multiple aspects including managing inventory, tracking sales, monitoring multiple locations, and handling incoming and outgoing payments directly from their bank accounts. By providing a cost-effective alternative to expensive ERP systems, Zed empowers small businesses to streamline operations and grow sustainably without financial strain.



B. Empowering Growth Through Innovative Solutions



1. Female-Led and Made Enterprise (FLME) Programme

The FLME programme remains a cornerstone of our ▲ strategic insights. Additionally, 15 physical workshops and 25+ commitment to empowering micro and small enterprises (MSEs), providing accessible financing solutions alongside transformative business development opportunities. In 2024, the programme reinforced its impact through targeted interventions across financial and non-financial support, driving growth and resilience among entrepreneurs nationwide.

This year, the programme disbursed Kshs. 24.9 billion to 15,799 beneficiaries, further solidifying its role as a critical enabler of enterprise development. Since its inception in 2022, cumulative disbursements now stand at Kshs. 139 billion, directly benefiting 60,799 entrepreneurs and fostering economic inclusion at scale.

Beyond financing, the FLME programme prioritised holistic growth through tailored capacity-building initiatives. Through 114 Biashara Club trainings, we delivered sector-specific business development programs, equipping MSEs with actionable strategies to accelerate growth. Complementing this, networking and benchmarking Sessions created platforms for entrepreneurs to forge value-chain linkages, share knowledge, and explore collaborative opportunities.

A robust calendar of mentorship activities underscored the programme's focus on skills enhancement. A total of 14 Senior Executive-led FLME events were hosted nationwide, offering beneficiaries direct access to industry leaders and

virtual webinars equipped the FLME participants with critical competencies in financial literacy, digital transformation, and business management. These sessions bridged knowledge gaps and empowered entrepreneurs to navigate dynamic market challenges confidently.



Kshs. 24.9 billion

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Kshs. 139 billion

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KCB Bank Uganda Limited actively champions gender equality by directing 30% of its corporate lending portfolio to women-led enterprises. This deliberate focus on empowering female entrepreneurs underscores a dual commitment to economic advancement and leadership diversity, fostering environments where women can thrive as drivers of local and national economies.



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For People. For Better.









Outlook



Carving a Legacy: Fatuma Kamau is Building More than Furniture

n the heart of Kisauni, Mombasa, the rhythmic sound of wood being carved into shape tells the story of resilience, enterprise, and transformation. Surrounded by sawdust, timber stacks, and polished furniture is Fatuma Kamau, the force behind Kisauni Djoinery, a business she has nurtured for nearly three decades.

Access to Capital and Strategic Expansion

In an industry traditionally dominated by men, Fatuma has stood tall — not only as a skilled artisan and entrepreneur but as a provider, mentor, and employer. Her journey reflects the challenges and triumphs of countless women in Kenya — and how access to the right financial support can turn local businesses into pillars of community development.

Fatuma began working in the wood business in 1998, taking over what was initially a small family operation. Over time, she transformed Kisauni Djoinery into a thriving enterprise, specialising in wooden tomato crates, custom furniture, doors, and window frames. Despite the obstacles of being a woman in a male-dominated trade, she gained the trust of customers by consistently delivering high-quality products and services.

"At first, people were skeptical. But I focused on my work, proved my ability, and built my reputation over the years," Fatuma recalls.

Today, 28 years later, she is a household name in her locality and a source of inspiration for many aspiring women entrepreneurs as well

Fatuma's strength was tested in 2010 when her husband passed away, leaving her to raise six children on her own. With limited options and a growing responsibility, she decided to expand the business to ensure her children had a secure future.

▲ Carving a Niche

Through KCB's Inua Biashara loan, Fatuma secured Kshs. 2 million in working capital, which she used to expand operations, purchase materials in bulk, and grow her team.

"The KCB loan came at a time when I needed it most. It helped me boost my business and, more importantly, support my children's education and wellbeing," she says.

Today, all her children are in school, and the business continues to thrive — with eight full-time employees under her wing

Fatuma is living proof that when women are empowered economically, the ripple effect extends to families, communities, and future generations. Her message to fellow women is both heartfelt and hopeful: "Believe in yourself. You can do it. Even if the road is hard, don't give up. The sky is not the limit — it's just the beginning."

KCB continues to champion women entrepreneurs across the country through targeted programmes that offer:

Accessible financing options

Business and financial literacy training

Market access support

Kshs. 2 million

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2. Cash-Based Transfer Solutions for Refugees

Guided by our unwavering commitment to fostering inclusive prosperity, KCB Group has deepened its focus on empowering vulnerable communities through tailored financial solutions. Building on this mission, in 2021 we launched a one-off cash transfer program to address the unique challenges faced by displaced populations in Kakuma and Eastleigh. this initiative delivered financial support to 22,000 refugee customers. This included refugees in Eastleigh. This intervention was designed to alleviate urgent economic hardships and catalyse sustainable recovery, equipping recipients with resources to rebuild livelihoods and integrate more fully into local economies.

Additionally, our other programme launched in 2022, in partnership with the National Drought Management Authority, impacted over 257,000 beneficiaries by delivering banking services to the most vulnerable areas in the Northern region of Isiolo, Tana River, Garissa and Samburu.



22,000

Building on this mission, in 2021 we launched an initiative to address the unique challenges faced by displaced populations in Kakuma: a one-off cash transfer programme delivered vital financial support to 22,000 refugee customers. This included refugees in Eastleigh.

3. Incorporating Sustainability Factors Into Insurance Products And Services

KCB Group strategically integrates insurance into its sustainability agenda, targeting societal challenges like poverty, healthcare, education and financial inclusion. Aligned with UNEP FI principles, we use advanced data analytics on customer behaviour to tailor recommendations, aiming for 10% adoption per branch, which accelerates market penetration and the broader sustainability impact of our products. Furthermore, insights from claims data inform continuous product refinement, ensuring alignment with evolving customer expectations and long-term sustainability objectives.



a. Social Impact: Building ResilienceOur products are engineered to

Our products are engineered to drive tangible social progress:

- Medical Insurance mitigates healthcare-related financial shocks, safeguarding access to quality treatment.
- Business Combined
 Policies protect MSMEs
 and corporates against
 operational risks—from fire
 and theft to legal disputes—
 ensuring business continuity
 and job security.
- Retirement Plans provide a structured savings pathway to combat old-age poverty.
- Education Plans secure children's academic futures, even in the face of a breadwinner's disability or loss.



Environmental and Social Risk Management

We rigorously assess risks tied to our insurance offerings by collaborating with underwriters who share our sustainability ethos. Partners are selected not only for their financial stability—ensuring timely claims settlements—but also for their alignment with KCB Group's ESG priorities.



c. Empowering Through Knowledge

Capacity-building initiatives like the Biashara Club and FLME dinners serve as platforms to educate customers on risk mitigation and insurance benefits. These forums empower individuals and businesses to adopt sustainable practices, fostering a culture of preparedness and informed decision-making.



We transform insights into action, systematically analysing feedback to drive measurable improvements that not only meet but consistently surpass customer expectations. Here's how we channel these insights into meaningful outcomes:



Identifying Areas for Improvement

First and foremost. customer feedback illuminates critical pain points, service gaps, and unmet expectations. By analysing recurring themes and trends we uncover friction areas and prioritise targeted interventions. Our approach is collaborative and results-driven: the Customer Excellence team partners with cross-functional departments to resolve issues, ensuring accountability through progress tracking. Complementing this our Quality & Standards team maintains vigilant oversight of service delivery offering data-backed recommendations to enhance people. processes, and systems. This dual focus ensures continuous alignment



Enhancing Product &

Service Development Feedback directly fuels innovation, shaping products and services that resonate with evolving customer preferences. We champion customercentric design principles, driving the digitisation of user journeys to ensure every technological advancement prioritizes seamless experiences. As a kev voice on the Tech Change Approval Committee, Customer Excellence safeguards this focus, rigorously evaluating developments to guarantee they remain intuitive, user-friendly, and aligned with customer expectations.



Optimising Processes for Efficiency

Beyond innovation, feedback exposes operational inefficiencies, enabling us to streamline workflows and reduce delays. This year, our commitment to agility led to a 30% improvement in Turnaround Time (TAT), a metric reflecting our dedication to swift issue resolution. By fostering continuous collaboration with stakeholders, we identify bottlenecks and refine processes, ensuring service delivery remains both efficient and responsive.



Empowering Staff Through Training & Coaching

Finally, feedback reveals opportunities to elevate service standards by addressing skill gaps and reinforcing best practices. We invest in tailored training programmes that equip teams with cutting edge tools, technical expertise, and empathetic engagement strategies. This empowers employees to deliver exceptional experiences at every customer touchpoint. transforming insights into actionable growth.



D. Providing Affordable Housing

with customer needs.

KCB Group reaffirmed its position as Kenya's foremost Primary Mortgage Lender (PML), solidifying its market leadership with a growing share of 31% (increase from 30% in 2023), as confirmed by the Central Bank of Kenya data. This growth underscored the Group's pivotal role in Kenya's housing finance sector, reflected in the mortgage portfolio exceeding Kshs. 88 billion.

Central to this success was the exceptional performance of the Group's Affordable Housing Scheme mortgage product, which emerged as the fastest growing segment of the year. This surge was fueled by a compelling combination of customer-centric features: a highly competitive fixed interest rate of 9.5%, extended repayment tenures of up to 25 years, and unique 105% financing options. Complementing these attractive terms, we leveraged the Group's extensive branch network, dedicated sales force, proactive relationship management, and the powerful trust associated with its brand. As a result, mortgage approvals under the Affordable Housing Scheme reached Kshs. 5 billion in 2024, which was the highest annual figure since the product's inception.



31%

KCB Group reaffirmed its position as Kenya's foremost Primary Mortgage Lender (PML), solidifying its market leadership with a growing share of 31% (increase from 30% in 2023), as confirmed by the Central Bank of Kenya data.

Outlook



Our Metrics and Targets

A. Contribution to Kenya's Affordable Housing Ecosystem

Beyond core lending, we achieved significant milestone including:

The Group channeled Kshs. 25 billion to both public and private developers, accelerating the construction of affordable housing projects nationwide and directly addressing the supply side of the equation.

The strategic relaunch of the KCB Developers Club marked a key initiative to engage vital stakeholders within the housing sector. This platform actively champions sustainable building practices and resilient infrastructure development, placing a strong emphasis on promoting green construction methods to ensure longterm viability

We forged and strengthened critical collaborations with leading public and private sector developers, of fostering synergies to scale housing delivery efficiently.

To further bolster affordable housing finance, we secured an additional Kshs. 614 million in borrowing from the Kenya Mortgage Refinance Company (KMRC), earmarked specifically for onward lending within the housing sector.

In partnership with Kenya's Ministry of Lands, Public Works, Housing and Urban Development, the Group committed to delivering the Building Climate Resilience with the Urban Poor (BCRUP) programme. The programme, which is globally recognised, aims at directly tackling the intersection of climate change vulnerability and urban housing challenges.

The Group established a department to deal with project investments and sustainable financing which seeks to partner and support developers, Real Estate Investment Trusts (REITs) and various Development Finance Organisations. Its core mission is to mobilise substantial funds specifically targeted at financing real estate development within Affordable Housing projects and critical Slum Upgrade programmes.



Kshs. 25 billion

The Group channeled Kshs. 25 billion to both public and private developers, accelerating the construction of affordable housing projects nationwide and directly addressing the supply side of the equation.

Kshs. 614 million

To further bolster affordable housing finance, we secured an additional Kshs. 614 million in borrowing from the Kenya Mortgage Refinance Company (KMRC), earmarked specifically for onward lending within the housing sector.

Over the last two decades, KCB Group has made a significant investment in various sports disciplines, including rugby, motorsport, football, volleyball, golf and chess, totaling Kshs. 2.3 billion. These investments were designed not merely as sponsorships but as strategic brand-building tools to enhance visibility, foster community development, and support youth empowerment.

Brand Visibility and Awareness: The Group's active involvement across multiple sporting platforms substantially amplified its presence. This included a combined media impact of over 3.77 billion impressions: 503.5 million from digital platforms such as Facebook, YouTube and Instagram; 766.7 million in print; 340.4 million through radio, and 2.16 billion via television. These figures illustrate the high top-of-mind awareness achieved, positioning KCB Group as a leading financial brand synonymous with excellence and performance.

Brand Association with Performance and Excellence: By associating with high-performing teams and prestigious events such as the East Africa Golf Tour Series and the World Rally Championship (WRC), the Group reinforced its image as a brand that values ambition, resilience and achievement. These associations contributed to increased customer loyalty and emotional connection with the brand.

Promotion of Diversity and Inclusion: A highlight of 2024 was the Group's sponsorship of a women's volleyball team, underlining its commitment to gender equity and social inclusion.

Commercial and Financial Returns: The impacts of these sponsorships extended into tangible commercial gains. For instance, the 2024 EA Golf Tour Series generated Kshs. 22.03 million in deposits, Kshs. 58.2 million in loan value, and Kshs. 40 million in Money Market Fund (MMF) inflows. It also led to the opening of 404 personal accounts, 128 tills and 85 MSME accounts. The WRC Campaign, themed "Gurumisha na Ufeel the Roar" delivered even greater returns: Kshs. 1.51 billion in deposits, Kshs. 12 million in insurance sales, Kshs. 1.7 million in merchant volumes, and the opening of 1,520 accounts and 874 tills.



Executive Summary

Our Sustainability and Climate-related Material Issues



B. Growth in Customer Satisfaction

As we concluded the year, our customer-centric initiatives yielded significant progress, underscored by a Net Promoter Score (NPS) of 69—a 9.5% year-over-year increase—and a Customer Effort Score (CES) positive decrease of 7.6%, culminating in a year-end CES of 12%. These achievements signal stronger customer trust in the KCB brand and validate our unwavering focus on delivering seamless, customer-first experiences.

initiatives yielded significant progress, underscored by a Net Promoter Score (NPS) of 69—a 9.5% year-over-year increase.

Customer Effort Score of 12%

A Customer Effort Score (CES) positive decrease of 7.6%, culminating in a yearend CES of 12%.

The four strategic pillars that drove these results:

Digital Innovation:

Empowering users with self-service solutions, we automated critical customer journeys. This included deploying 52 RPA robots for reconciliations and auto-reversals, as well as automating Credit Reference Bureau (CRB) updates. The result was reduced manual intervention, accelerated service delivery, and maintained accuracy.

Execution Excellence:

A 30% reduction in turnaround time for issue resolution was achieved through stricter adherence to our service charter and branch empowerment tools. The rollout of International Transaction Control (ITC) card systems and the delegation of International Mobile Subscriber Identity (IMSI) updates to branches enabled firstcall resolutions, enhancing operational agility and customer satisfaction.

Customer Feedback Loops:

Proactive engagement through CES Task Forces and structured feedback reviews allowed us to swiftly address pain points. This approach balanced immediate fixes with sustainable enhancements, ensuring continuous alignment with evolving customer expectations.

Quality of Service

Monitoring: Regional Customer Excellence teams implemented real-time coaching and performance tracking, fostering a serviceoriented culture. Regular audits and targeted training ensured consistency in delivering exceptional experiences across all touchpoints.

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D. Our Targets

We remain focused on expanding financial access, enhancing digital solutions, and fostering entrepreneurship through:

Scaling FLME's reach to more underserved SMEs. Increasing multi-currency card adoption through targeted awareness.

Introducing more tailored products to meet evolving customer needs.

Our Sustainability and Climate-related

Material Issues

As we move toward 2025, we are committed to deepening our customercentric efforts by aligning our corporate strategy with clearly defined focus areas that are core for our business operations and innovation.

Strategic Pillars Our Focus Areas

- **Digital Leadership** Overhaul of the mobile banking platform for the Group.
- · Enhancements to the Buni API (Application Programming Interface) Gateway & Developer Portal to strengthen both internal and external functionalities and foster partnerships.
- · Expansion of BAAS (Banking-as-a-Service) offerings targeting Financial Institutions, Fintechs (Financial Technology firms), and New Ventures.

Propositions

- **Customer** Creation of new digital lending products for both Consumer and Business segments.
- Centred Value · Boost digital adoption by digitising customer processes such as online account opening, Electronic Know Your Customer (eKYC), borrowing, and payments.



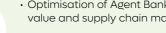
· Tailored MSME solutions via digital collaborations, e.g., ZED ERP (Enterprise Resource Planning)

Optimise Data and Analytics

- · Deployment of CVM (Customer Value Management) & MDM (Master Data Management) · Introduction of a Digital Experience and Product Analytics tool to improve user experience
- and enable hyper-personalisation. Adoption of an Al-powered scoring and decision-making tool.

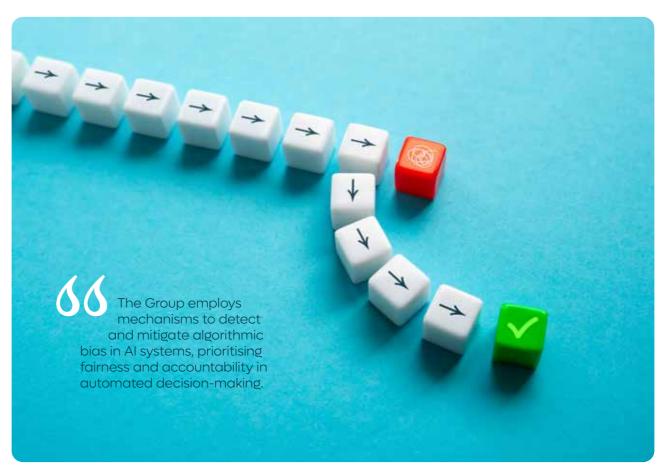
Efficient Scale

- **Leverage Group** Expansion of mobile lending services from Uganda to other markets.
- Capabilities for Facilitation of cross-border payments Pan-African Payment and Settlement System (PAPSS), digital products, and pricing strategies.



· Optimisation of Agent Banking & Merchant Acquisition processes Group-wide to enhance value and supply chain management, thereby improving our liquidity.





Risk Management Approaches

The Group acknowledges that digital transformation, while critical to innovation, introduces inherent risks in areas, such as data privacy, cybersecurity, and the ethical application of technology. To address these challenges proactively, the Group has established a robust Third-Party Risk Management (TPRM) framework. This framework ensures that all external partnerships and vendor engagements align with the Group's rigorous security protocols, sustainability commitments, and ethical standards, safeguarding both operational integrity and stakeholder trust.

Central to this framework is a rigorous due diligence process, where third-party vendors undergo comprehensive assessments to evaluate their compliance with global data protection regulations, including General Data Protection Regulation (GDPR) and regional privacy laws, as well as cybersecurity best practices. Simultaneously, vendors' sustainability policies are scrutinised to confirm alignment with the Group's ESG goals, ensuring partnerships contribute positively to long-term sustainability objectives.

Complementing these assessments are robust contractual safeguards. All third-party agreements mandate adherence to the Group's Code of Conduct and Responsible Technology Principles, embedding enforceable clauses on data protection, cybersecurity measures, and ethical AI practices. These contractual terms serve as a legal backbone, holding vendors accountable to the Group's standards throughout the collaboration lifecycle.

Beyond initial evaluations, the framework emphasises ongoing oversight. Continuous monitoring mechanisms, including periodic audits, cybersecurity assessments, and sustainability impact reviews, ensure third-party compliance remains consistent over time. Employees and partners also participate in regular training programmes to stay informed about evolving data privacy regulations and emerging cyber threats, fostering a culture of shared responsibility.

Integral to the framework is a focus on ethical technology governance. The Group employs mechanisms to detect and mitigate algorithmic bias in AI systems, prioritising fairness and accountability in automated decision-making. Transparency in digital processes is further upheld, enabling stakeholders to understand how technologies are deployed and data is utilised, thereby reinforcing trust and regulatory alignment.

Outlook

A. Efficient Complaint Resolution

Key highlights of the number of days to address customer complaints:

Entity	Average Turnaround Time (Days)
Group Average	1.4
Subsidiary Average	2.8
KCB Bank Tanzania Limited	0.8
KCB Bank Kenya Limited	1.4
KCB Bancassurance Intermediary Limited	1.6
KCB Bank Uganda Limited	2.0
NBK Limited	4.1
KCB Bank South Sudan Limited	35.7
KCB Foundation	5.6
KCB Investment Bank Limited	1.8
KCB Bank Burundi Limited	1.6
BPR Bank Rwanda Plc	4.2

Safeguarding customer privacy and securing personal data are foundational pillars of our operational integrity. In an era marked by escalating risks of data breaches and unauthorised access, we maintain a rigorous governance framework designed to comply with local and international regulations, including Kenya's Data Protection Act (2019), the European Union's General Data Protection Regulation (GDPR), and other jurisdictional laws relevant to our markets.

Throughout the reporting period, we recorded two substantiated complaints: one involving unauthorised use of a customer's image rights due to consent violations, and another concerning unlawful disclosure of personal data. Both incidents were swiftly resolved with corrective measures implemented to prevent recurrence. Importantly, no systemic breaches compromising large-scale customer data occurred, underscoring the effectiveness of our safeguards.

Complementing our data protection efforts is an unwavering focus on resolving customer concerns with speed, transparency, and fairness. Our complaints management process, anchored by a state-of-the-art Customer Relationship Management (CRM) system, ensures end-toend tracking and resolution of issues. Key features of this framework include:

Timely Resolution: Complaints are logged, assigned, and monitored to meet strict turnaround times (TAT), ensuring accountability at every stage.

Quality Assurance: Each case is resolved with precision and impartiality, prioritising customer satisfaction and

Proactive Insights: Advanced analytics identify recurring issues, enabling root-cause analysis to mitigate future risks.

▲ In the past year, the Group achieved an average resolution time of 1.4 days, reflecting our operational efficiency. Performance across subsidiaries varied slightly (1-5 days), influenced by localised operational demands, yet consistently aligned with our commitment to prompt service.

Our Sustainability and Climate-related

Material Issues

KCB Bank Tanzania Limited emerged as a standout performer, resolving complaints in an industry-leading 0.8 days—a testament to operational efficiency and a model for other markets. Meanwhile, KCB Bank Kenya Limited sustained its strong track record with a resolution time of 1.4 days, reflecting its unwavering commitment to a customer-first ethos. These results underscore the value of streamlined processes and a culture prioritising swift, client-centric solutions.

At the other end of the spectrum, KCB Bank South Sudan Limited faced significant hurdles, recording the longest turnaround time (TAT) at 35.7 days. This lag stems from unique market complexities, including fragmented logistics, infrastructural limitations, and regulatory nuances. To bridge this gap, targeted interventions, such as bolstering local resource capacity and deploying technology to mitigate systemic bottlenecks, are underway.

While celebrating progress, we remain focused on elevating standards Group-wide. Our roadmap to enhance complaint resolution includes:

- 1. Process Optimisation: Integrating automation and Aldriven tools to minimise manual workflows, reduce errors, and accelerate decision-making.
- 2. **Staff Training:** Investing in continuous upskilling programs to empower customer service teams with advanced problem-solving techniques and empathy-driven communication. We forged partnerships to enhance digital proficiency among staff and customers.
 - a. Microsoft & SATH Alliance: A generative Al-powered knowledge base was co-developed, enabling employees and corporate clients to retrieve banking protocols, compliance guidelines, and product details via natural language queries. This tool reduced internal query resolution times by 30%.
 - b. Cybersecurity and Technical Training: Branch staff, customer experience (CX) teams and HQ technical units underwent rigorous training on the new mobile platform's architecture, fraud detection systems, and USSD backend protocols. Cybersecurity modules emphasised phishing prevention and secure API management.
- 3. Market-Specific Solutions: Crafting tailored strategies for subsidiaries with prolonged TAT, combining localised expertise with Group best practices to ensure alignment with performance benchmarks.

KCB BankTanzania Limited emerged as a standout performer, resolving complaints in an industryleading 0.7 days—a testament to operational efficiency and a model for other markets. Meanwhile, KCB Bank Kenya Limited sustained its strong track record with a resolution time of 1.3 days, reflecting its unwavering commitment to a customer-first ethos.



B. Inclusive Credit Access

We are committed to fostering financial inclusion by extending credit to marginalised groups, including women, youth, smallholder farmers, and micro-entrepreneurs. While this initiative aligns with our sustainability goals of promoting equitable economic growth, it presents unique risks that require strategic mitigation to ensure financial sustainability.

From 2023 to date, we have provided Local Purchase Order (LPO) and Local Service Order (LSO) facilities to differently-abled persons, serving a total of 57 customers with an aggregate value of Kshs. 23.9 million.

Key Risks and Mitigation Strategies to achieve inclusivity:

Credit Risk (High Probability of Default)

Marginalised borrowers frequently face exclusion from formal financial systems due to a lack of documented credit histories, heightening the risk of default. To address this, we employ alternative credit scoring models that analyse mobile money transactions, bank account turnovers, and digital financial footprints to gauge repayment capacity. Additionally, we offer unsecured loan products with competitive terms, designed to serve borrowers who lack traditional collateral, ensuring access to credit while balancing risk.

Poor Saving Culture

Irregular income streams and weak saving habits among underserved customers often undermine their ability to repay loans. To foster financial resilience, we provide financial literacy training focused on savings discipline, budgeting, and long-term planning. Complementing this, digital savings solutions—such as mobile banking integrations like KCB M-PESA—offer flexible, user-friendly platforms to encourage consistent savings behaviour, even with fluctuating incomes.

Location, Seasonal, and Economic Vulnerabilities

Marginalised groups, especially in agriculture, grapple with income instability driven by seasonal cycles, climate shocks, and market volatility. Our agribusiness loan products, such as Mavuno Tea and Coffee loans, feature shortterm, flexible repayment structures aligned with harvest cycles. For borrowers impacted by unforeseen economic disruptions, we provide emergency loan restructuring options, allowing rescheduled repayments to avoid defaults.

Lack of Adequate Collateral

Low-income borrowers often lack traditional collateral, restricting their access to credit. Through partnerships with governments and development agencies, we offer partial credit guarantee schemes, which have already facilitated 477 loans valued at Kshs. 966.6 million since 2020. We also accept movable assets—including livestock, equipment, or inventory—as collateral to broaden eligibility.

Low Financial Literacy Levels

Limited understanding of financial products can result in over-indebtedness or misuse of credit. The KCB Foundation delivers targeted financial education workshops on responsible borrowing, savings, and investment strategies. To simplify engagement, we design easy-to-understand loan products with transparent terms and leverage digital learning platforms via mobile apps and USSD channels to disseminate financial literacy content.

Cultural Barriers Limiting Women's Access

Societal norms often hinder women from owning assets or accessing formal credit. Our Female-Led and Made Enterprise (FLME) loans provide tailored financing with favourable terms to empower women entrepreneurs. We also conduct gender-sensitive community training to shift perceptions around women's financial independence and collaborate with women's cooperatives to enable collective borrowing opportunities.

Operational Risks in Loan Collections

Remote locations and logistical challenges complicate loan recovery efforts. Our expansive network of branches and agency banking outlets ensures physical accessibility for borrowers. Simultaneously, automated SMS and mobile reminders streamline communication, reducing delays in repayments and maintaining borrower accountability.

Our Governance Oversight

A robust governance framework is fundamental to KCB Group's long term sustainability, ensuring responsible operations, ethical conduct, and the trust of all stakeholders. Customer Excellence is underpinned by a comprehensive suite of policies that define our standards, assign accountability and mitigate risks. Key policies that guide our governance framework include:

1. KCB Group Customer **Excellence Policy**

This policy forms the bedrock of our commitment to exceptional stakeholder experiences. It mandates adherence by all staff, management and third parties (including contractors and service providers), ensuring a consistent, high-quality standard across the entire KCB Group. Crucially, its operationalisation is closely linked to data protection principles, safeguarding the privacy of customers, vendors, employees and other stakeholders.

The policy establishes clear governance structures for service delivery. The following governance structures are followed including:

- · Corporate Service Excellence that manages engagement, channels and experience for Corporate and High Net Worth clients.
- · Retail Excellence drives the experience agenda across the retail network, focusing on simplicity and efficiency.
- Dedicated "Customer Excellence Service Centres" govern the walk-in customer experience.

A central "Group Service Excellence Designated Entity" is tasked with designing, monitoring, reporting and ensuring compliance with the Customer Excellence Strategy across all channels. This includes maintaining "Customer Excellence Standards" through regular service audits on all touch points, ensuring adherence to internal policies, procedures, banking regulations, and international best practices for customer satisfaction.

The policy mandates "Customer Excellence Quality Assurance" specifically for Contact Centre touchpoints. Furthermore, a dedicated function called "Customer Excellence Designated Entity" ensures effective complaint resolution "Service Support and Recovery" from all operating entities, adhering to quality standards and regulations while proactively reducing customer pain points. Critically, the policy enforces accountability: any violation constitutes a disciplinary offence, potentially leading to termination of employment.



12. Data Protection and **Privacy Policy**

This policy is central to our governance, defining stringent requirements for handling personal and sensitive personal data to protect the privacy of customers, employees, vendors and stakeholders. It applies to all employees, agents, contractors, partners and any party with authorised access to the Group's data. This extends to data shared with or received from authorised third parties.

The policy operationalises core data protection principles of:

- · Lawfulness, Fairness and Transparency
- · Purpose Limitation
- · Data Minimisation
- Accuracy
- · Storage Limitation
- Integrity and Confidentiality
- Accountability

It mandates explicit consent for data use/disclosure (unless the law requires otherwise) and robust notification to data subjects about their rights.

Key governance mechanisms include documenting and implementing security policies, standards and procedures, maintaining a personal data inventory, conducting Data Protection Impact Assessments (DPIAs) for privacy risks and implementing age verification for children's data. Processing sensitive data or using automated decision making requires specific conditions and transparency.

The policy governs third parties collecting data on Group's behalf, requiring them to use fair methods and comply with the Group's policy and contractual obligations. It strictly limits data sharing/exchange to lawful purposes with appropriate consent and mandates timely responses to data subject access requests as required by law. Accountability extends to the highest levels, explicitly outlining responsibilities for the Board of Directors, Board Audit and Risk Committee and Group CEO.

Key governance mechanisms include documenting and implementing security policies, standards and procedures, maintaining a personal data inventory, conducting Data Protection Impact Assessments (DPIAs) for privacy risks and implementing age verification for children's data.



Our 2025 ESG
Outlook

Appendices











ostering enduring relationships amid evolving priorities is paramount to our mission. Our core stakeholders, including investors, customers, employees, communities, regulators, and policymakers, play pivotal roles in shaping and are impacted by our strategic decisions and remain as our key assets.

We are committed to engaging proactively with these stakeholders, understanding their needs and expectations, and collaborating closely to navigate shifting landscapes while upholding our commitment to sustainable and responsible business practices. We engage our diverse stakeholders to identify and manage our material issues.



ow did we engage?

- Email
- In-branch interaction
- Video conferencing
- Surveys
- · Feedback platforms

engagements

- · Phone calls
- · SMS In-person
- Surveys Reports

What are the key topics raised & subsequent

What is the Group's appetite for sustainable lending?

Will sustainable lending be provided at lower interest rates?

Additional support is required in branches on credit facilities available and investment products.

How can you speed up complaint resolutions?

Why should I go beyond pure compliance regarding ESG risk management?

What is the benefit to the business in doing so?

How did we respond?

Sustainable lending, as defined by KCB Group, was communicated to customers, including the benefits of utilising these solutions.

The application of competitive rates on a sustainable lending facility would be applied on a case-by-case basis after the finalisation of an ESDD by the Group.

Analysts were deployed to branches on weekends to support clients to support the business with queries.

The Group deployed automated robotic procedures to speed up enquiries and complaints resolutions

Doing so will build levels of resilience and enhance the level of access you have to financial solutions.



Employees

low did we engage?

- E-mail Face-to-face interactions Video conferencing
- Surveys
- · Phone calls Messages
- Newsletters
- · Internal platforms

What are the key topics raised & subsequent

We need a better understanding of deploying The training was provided to staff on the sustainable lending products being launched into the market.

We need more training to understand how to respond to ESG risks, specifically climate risk screening, to protect the customer and the

With the poor economic conditions in the market and inflationary pressures, there are concerns there may be job cuts at the Group.

How did we respond?

updated ESDD process and the use of the toolkit to assess risks on projects. Employees also received training on various ESG aspects during

Assurance was given to the teams that there would be no job losses due to the current economic conditions. On the contrary, their services will be needed with the new regulatory requirements around ESG, climate risk, and market demand.





low did we engage?

- Face-to-face meetings
- E-mail
- Organised conferences
- Surveys
- Correspondences (invoices, LPOs, memos),
- Topical forums (e.g. changes in tax)

What are the key topics raised & subsequent feedback received?

How can you speed up payment to your

We are automating processes to streamline the payment processes for our suppliers.

How did we respond?



Email

 Reports. presentations and letters

Conferences Information/notices

· Senior management meetings and calls Participation in conferences Roadshow

What are the key topics raised & subsequent feedback received?

Are we onboarding the right type of customers?

How can we better manage our non performing loan book?

How effective is the Group's risk management through a monitoring approach?

How did we respond?

Our ESDD process allows us to screen customers before onboarding them. This will enable us to manage our risk profile of clients and ensure capital deployment, resulting in the benefit we expect to see in society.

Understanding our customers is key. Screening upfront allows us to minimise our non-performing loan book. Still, in the event of customer default, we have measures in place to engage with them, and measures are available to assist with helping the customer pay back their loans over time.

The Group focused on tightening cybersecurity measures, conducted stress testing, continued embedding a Group-wide risk culture, including the introduction of climate risk measurement.





Business Partners and Collaborators

low did we engage?

What are the key topics raised & subsequent feedback received?

· In-person meetings Reports

 Organised conferences Video conferencing

Surveys

E-mail

How can we help you innovate your

processes?

How did we respond?

We welcome proactive engagement on how partners can support KCB Group to innovate processes, products and market delivery. We use open tender processes, which provide clear evaluation guidelines to suppliers when submitting bids to do work for us.

Stakeholder

Outlook

Regulators and Policymakers

low did we engage?

 Correspondences (letters, memos), topical forums (e.g. changes in tax)

- Reports
- Face-to-face meetings Phone calls
- Organised meetings/ conferences

What are the key topics raised & subsequent feedback received?

Are you remaining customer centric and responsive to the customer's needs?

Can you increase response time on complaints, and are you addressing all the complaints being raised?

How are you responding to the climate risk framework disclosures requested of the business?

How did we respond?

Our products are designed with the needs of our customers in mind. We engage our customers regularly and use the feedback received to improve the products and services we offer.

Through our digitisation agenda and system upgrades, we have introduced AI to assist with fast-tracking complaint resolutions. This has reduced waiting times significantly and improved customer experience across the Group.

We have developed a climate risk framework, with an action plan currently being used to track the rollout of key initiatives to ensure the rollout and implementation of the plan across the Group.





Value Created for Stakeholders

Employees	KShs. 40.3 billion in employee benefits
Governments	KShs. 20.2 billion in Group taxes paid to the government
Customers	KShs. 76.1 billion in interests for depositors and lenders
Suppliers	KShs. 40.6 billion paid to suppliers of goods and services



KShs. 9.6 billion in shareholder dividends



Our 2025 ESG
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Appendice

Tax Transparency

CB Group has established a comprehensive Tax Management Policy to govern all tax-related matters across its entire organization. This policy is designed to ensure robust corporate tax management and foster a culture of transparency, effectively balancing the interests of the Group's diverse stakeholders; including consumers, investors, governments, and the communities in which it operates.

A core tenet of this approach is the commitment by all KCB operating entities to pay the right amount of tax, at the right time, and in the country where value from business transactions is derived. The policy provides a clear framework for determining this tax obligation in the various situations the Group encounters. To uphold this standard, each operating entity maintains clear procedures for tax risk management, conducting thorough risk assessments before undertaking any significant tax planning.

Governance and oversight of this policy are paramount. The KCB Group Board holds ultimate responsibility for its approval and for ensuring the necessary resources are available for its adherence, a mandate it has delegated to the Group's Board Audit and Risk Committee. Dayto-day executive oversight falls to the KCB Group Chief Executive, who, through the Executive Committee (EXCO), is responsible for the policy's execution and for ensuring subsidiary businesses receive adequate implementation support. Furthermore, the Group Finance Director provides at least an annual report to the Board on tax risks and compliance with the tax strategy.

This commitment to principled conduct extends beyond mere compliance. KCB Group is transparent about its corporate structure, clearly disclosing its ownership in regulatory filings. The policy's guidelines also govern relationships with employees, customers, and contractors. Crucially, the Group firmly opposes aggressive tax avoidance, pledging not to engage in arrangements whose sole purpose is to create a tax benefit that exceeds what is reasonably intended by the relevant tax rules.

A core tenet of this approach is the commitment by all KCB operating entities to pay the right amount of tax, at the right time, and in the country where value from business transactions is derived.



The Effect of Taxes and Contributions

We at KCB Group see taxes as a fundamental component of our support of sustainable business practices and national growth, in addition to being a legal requirement. Six guiding principles form the foundation of our strategy and demonstrate our dedication to openness, responsibility and long-term wealth creation. These principles include:

Adherence for the Law and Best Practices

We are resolute in our commitment to complete adherence to all relevant tax rules and regulations. To guarantee compliance with changing laws, regional tax laws, and global standards, we constantly review and assess our tax procedures. While lowering regulatory risk, this proactive approach guarantees that we maintain the highest standards of moral behaviour and openness.

Tax Planning That Is Strategic and Responsible
Our tax planning procedures are made to accommodate justifiable business goals, while staying within the bounds of the law. We give top priority to content, consistency, and clarity in all tax-related judgments. We carefully consider the tax ramifications of any significant transaction before proceeding in order to minimise unnecessary risk and safeguard

Engaging Actively with Tax Authorities

the Group's reputation.

In 2024, we maintained constant contact with government agencies and regulators to guarantee adherence, obtain advice on intricate tax issues, and help create a stable and predictable tax landscape. By means of ongoing communication, we improve understanding between parties, eliminate uncertainty, and favorably influence the formulation of tax policy.

Contributions to Shareholder Value

Our tax approach directly supports our broader business goals, including the generation of sustainable shareholder returns. We enhance profitability and put measures for long-term financial resilience by ensuring tax efficiency and eliminating unnecessary risk exposure. This approach reinforces investor confidence and reflects sound governance.

Zero Tolerance for Tax Evasion or Unethical Practices

We enforce a strict zero tolerance policy on tax evasion, fraud, and facilitation of unlawful conduct. This applies to all employees, agents, and third parties operating on behalf of the Group. Additionally, we maintain rigorous internal controls and ethical standards to ensure all tax-related activities reflect our core values of integrity, transparency, and accountability.

Adapting to Regulatory Change

As tax laws evolve, KCB Group remains agile and responsive. In 2024, the Group implemented comprehensive updates to internal tax processes in response to new legislation in Kenya. These included aligning our compliance procedures with amended VAT and income tax requirements, strengthening our internal reporting protocols, and updating staff training programmes.

Our Contribution in Numbers

KCB Group's tax contributions remain significant to national development. The following overview details the taxes paid to the government, providing a clearer and more direct picture of the Group's economic contribution through taxation. This approach aligns with global best practices for tax transparency in sustainability reporting, as it incorporates remittances from subsidiaries across their operating jurisdictions and compares payments between 2023 and 2024.

2023	2024
Kshs. 27.4 billion	Kshs. 30.3 billion
Kshs. 3.2 billion	Kshs. 6 billion
Kshs. 3 billion	Kshs. 2 billion
Kshs. 779 million	Kshs. 1 billion
Kshs. 535 million	Kshs. 482 million
Kshs. 614.8 million	Kshs. 442.3 million
Kshs. 2.5 million	Kshs. 2.1 million
Kshs. 300,000	Kshs. 300,000
	Kshs. 27.4 billion Kshs. 3.2 billion Kshs. 3 billion Kshs. 779 million Kshs. 535 million Kshs. 614.8 million Kshs. 2.5 million

Group Total Kshs. 35.7 billion

Kshs. 40.4 billion



s part of our unwavering commitment to sustainable and inclusive growth, KCB Group remains dedicated to fostering community empowerment and environmental stewardship. Through targeted initiatives, we enhance financial

Initiatives	2025 Outlook
Green Climate Fund	 Execution of preparatory activities of the MSME concept note. Application of GCF accreditation amongst subsidiaries. Submission of KCB E-Mobility concept note for approval. Submission of the full funding proposal on MSMEs Climate Smart Technologies.
Environmental and Social Due Diligence (ESDD)	 Enhancement of T24 & CQ to assess the Environmental & Social requirements. To incorporate the Environment and Social within the covenant.
Climate and Nature Risk Management	 Development and approval of the climate risk policy. Working on a transition plan and embedding nature risk management into our policies and ESDD assessments.
SDG Dashboard	Automation of the SDG dashboard that will streamline data collection.
Green Lending	 Achieve 25% of loan portfolio dedicated to green lending. Continuous engagements with retail and corporate banking through monthly sessions to ensure uptake of green loans. Enhancement of T24 & CQ to identify, track and report green lending projects.
Assurance of the Sustainability Report	Prepare the teams adequately for the process.To have additional KPIs validated.
Resource Consumption	 Automating the resource consumption process to significantly improve efficiency by reducing manual. tracking, minimising errors thus enhancing data accuracy.
Sustainability Communication	 Push more sustainability communications on Viva. Highlight staff-led initiatives across subsidiaries and introduce themed months to drive greater engagement across communication channels.
Capacity Building for MSMEs in Readiness for Access to Financing	 Expand structured capacity-building programmes to reach at least 36,000 MSMEs nationwid Develop and roll out a standardised MSME Investment Readiness Toolkit to streamline financial preparedness. Strengthen linkages between trained MSMEs and financial institutions, enabling access to credit facilities, blended finance, and investor platforms. Leverage digital platforms to provide ongoing mentorship and market access opportunities
Enabling Access to Credit for Nano Women Entrepreneurs	 Facilitate credit access for over 150,000 nano women entrepreneurs, with a focus on informal and rural markets. Achieve over 80% repayment rates through mentorship, peer accountability, and business coaching. Expand partnerships with women-led cooperatives and digital lenders to enhance last-milifinancial inclusion. Pilot blockchain-based lending solutions to improve transparency and reduce administrative costs.
Vocational & Entrepreneurial Skills Development for Youth	 Provide vocational and entrepreneurial training for 15,000 youth, targeting a 70% transition rate into employment or self-employment. Distribute 4,000 start-up kits to accelerate youth-led business ventures. Collaborate with county governments to establish innovation hubs supporting youth-led enterprises.

 $\bullet \ \, \text{Support 10,000 smallholder poultry farmers through productivity enhancements and market} \\$

· Assist 4,000 livestock farmers (beef, small ruminants, honey) in improving productivity, value

• Invest Kshs. 6 million in value-addition equipment and establish 4 new agro-market centres. • Enable Kshs. 500 million in agri-financing through blended finance, credit guarantees, and

· Pilot blockchain-enabled traceability systems to enhance market access for certified produce.

emerging opportunities.

value chain financing.

addition, and certification standards.

Supporting Agribusiness in

Productivity, Market Access & Financing

Our 2025

ESG

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Independent Assurance Practitioner's Limited Assurance Report on Selected Key Performance Indicators

To the Directors of KCB Group Plc

Report on Selected Key Performance Indicators

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the Sustainability Report 2024 of KCB Group Plc ("KCB Group") for the year ended 2024 (the Report). This engagement was conducted by a multidisciplinary team including assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected KPIs, marked with an "LA" on the relevant pages in the Report. The selected KPIs described below have been prepared in accordance with the relevant KPI definitions as set out in Appendix B of the Report ("reporting criteria").

Human Capital Key Performance Indicators	Unit of measurement	Boundary	Page number
Number of employees who completed the anti-money laundering course in the year	Number	KCB Group	6 – 7
Number of employees who signed the Staff Declaration forms in the year	Number	KCB Group	6 – 7
Number of employees who completed the ethics e-learning course in the year	Number	KCB Group	6 – 7
Number of new permanent and pensionable employees at year end	Number	KCB Group	6 – 7
Number of male permanent and pensionable employees at year end	Number	KCB Group	6 – 7
Number of female permanent and pensionable employees at year end	Number	KCB Group	6 – 7
Total number of full-time equivalent (FTE) group employees at year end	Number	KCB Group	6 – 7
Number of full-time equivalent (FTE) group employees belonging to a union at year end (Kenya)	Number	KCB Bank Kenya Limited	6 – 7
Percentage composition of women on the KCB Group Board at year end	Percentage	KCB Group	6 – 7
Economic Key Performance Indicators	Unit of measurement	Boundary	Page number
Value of KCB M-Pesa loans disbursed in the year	Kenyan Shilling	KCB Group	6 – 7
Number of Mobi loans disbursed in the year	Number	KCB Bank Kenya Limited	6 – 7
Number of Bancassurance policies written in the year*	Number	KCB Group	6 – 7
Value of Bancassurance premiums written in the year*	Kenyan Shilling	KCB Group	6 – 7
Social Key Performance Indicators	Unit of measurement	Boundary	Page number
Number of female student beneficiaries under the Scholarship Programme in the year	Number	KCB Group	6 – 7
Number of male student beneficiaries under the Scholarship Programme in the year	Number	KCB Group	6 – 7
Number of Females who participated in the 2jiajiri Program training in the year	Number	KCB Group	6 – 7
Number of Males who participated in the 2jiajiri Program training in the year	Number	KCB Group	6 – 7
Environmental Key Performance Indicators	Unit of measurement	Boundary	Page number
Value of green loans verified as climate-eligible in CAFI in the year*	Kenyan Shilling	KCB Group	6 – 7
Customer Excellence Key Performance Indicators	Unit of measurement	Boundary	Page number
Customer complaint resolution time in the year*	Days	KCB Group	6 – 7

^{*} KPI new in scope for assurance

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Our Independence and Quality Control

We have complied with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Deloitte applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

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Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of KCB Group's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control. and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling certificate No. 2294. with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

 Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;

- · Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Performed a walkthrough of the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs:
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria: and
- · Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at KCB Group.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether KCB Group's selected KPIs have been prepared, in all material respects, in accordance with the accompanying KCB Group's reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter paragraph above for the year ended 2024 are not prepared, in all material respects, in accordance with the reporting criteria.

Our report includes the provision of limited assurance on selected KPIs, as indicated in the "Subject matter" paragraph above, on which we were previously not required to provide assurance.

The maintenance and integrity of KCB Group's website is the responsibility of KCB Group's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on KCB Group's website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of KCB Group in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than KCB Group, for our work, for this report, or for the conclusion we have reached.

The engagement partner responsible for the independent assurance engagement resulting in this independent limited assurance report is CPA Charles Munkonge Luo, Practising

For and on behalf of Deloitte & Touche LLP Certified Public Accountants (Kenva)

Deloitte & Touche LLP

29 September 2025

KPI Definitions

Human Capital	Definition	Unit of measurement
Number of employees who completed the anti-money laundering course in the year	Full-time and part-time KCB Group employees who completed the annual anti-money laundering course within the reporting year.	Number
Number of employees who signed the Staff Declaration forms in the year	Full-time and part-time KCB Group employees who signed the annual staff declaration forms as part of ethics compliance within the reporting year.	Number
Number of employees who completed the ethics e-learning course in the year	Number of full-time and part-time KCB Group employees who completed the annual ethics course within the reporting year.	Number
Number of new permanent and pensionable employees at year end	New full-time KCB Group employees at year end	Number
Number of male permanent and pensionable employees at year end	Male full-time KCB Group employees at year end	Number
Number of female permanent and pensionable employees at year end	Female full-time KCB Group employees at year end	Number
Total number of full-time equivalent (FTE) group employees at year end	Total full-time KCB Group employees at year end	Number
Number of full-time equivalent (FTE) group employees belonging to a union at year end (Kenya)	Full-time employees in Kenya belonging to either Banking Insurance and Finance Union (Kenya) or Kenya Union of Commercial, Food and Allied Workers (KUCFAW) at year end	Number
Percentage composition of women on the KCB Group Board at year end	Percentage composition of women on the KCB Group Board at year end	Percentage
Economic	Definition	Unit of measurement
Value of KCB M-Pesa loans disbursed in the year	KCB M-Pesa is a loan and savings product offered by KCB Bank Kenya Ltd to Safaricom M-Pesa customers through the Safaricom mobile channel.	Kenyan Shilling
Number of Mobi Loans disbursed in the year (Kenya)	KCB Mobi is a loan product exclusively offered by KCB Bank Kenya Ltd to KCB Bank Kenya Ltd customers through its mobile channels.	Number
Number of Bancassurance policies written in the year	Number of Bancassurance policies written by KCB Bancassurance Intermediary Limited, a subsidiary of the KCB Group operating as an insurance intermediary for all classes of insurance business.	Number
Value of Bancassurance premiums written in the year	Value of gross written premiums for Bancassurance policies written by KCB Bancassurance Intermediary Limited, a subsidiary of the KCB Group operating as an insurance intermediary for all classes of insurance business.	Kenyan Shilling
Social	Definition	Unit of measurement
Number of female student beneficiaries under the Scholarship Programme in the year (Kenya)	The Scholarship Programme offers full secondary and tertiary school scholarships to support bright students from disadvantaged backgrounds in Kenya	Number
Number of male student beneficiaries under the Scholarship Programme in the year (Kenya)	The Scholarship Programme offers full secondary and tertiary school scholarships to support bright students from disadvantaged backgrounds in Kenya	Number
Number of Females who participated in the 2jiajiri Program training in the year	2 Jiajiri is a programme to empower the youth to grow micro- enterprises by providing them with technical and vocational education and training.	Number
Number of Males who participated in the 2jiajiri Program training in the year	2 Jiajiri is a programme to empower the youth to grow micro- enterprises by providing them with technical and vocational education and training.	Number
Environmental	Definition	Unit of measurement
Value of green loans verified as climate- eligible in CAFI in the year	Green loans are loans for projects that support environmental sustainability and climate resilience. The Climate Assessment for Financial Institutions (CAFI) tool is a platform that allows financial	Kenyan Shilling
	institutions to verify whether a project meets internationally agreed-upon criteria for climate finance in line with IFC's Definitions for Climate-Related Activities and the Common Principles for Climate Mitigation Finance Tracking.	
Customer Excellence	agreed-upon criteria for climate finance in line with IFC's Definitions for Climate-Related Activities and the Common	Unit of measurement

Our Sustainabili Approach Our Sustainability and Climate-relate

Gap Assessment

he goal of the Group's ISSB Gap Assessment is to evaluate our readiness for our sustainability and climate-related financial disclosures in alignment with the ISSB Standard of IFRS S1 and S2. We have considered the extent to which the disclosure requirements are already integrated into the business strategies, risk management, existing policies, and 2023 Sustainability and Integrated Reports.

Our Approach includes:

- Review of 2023 Sustainability and Integrated reports.
- Conduct a gap assessment against the disclosures as required by ISSB Standard (IFRS S1 and S2).
- We have focused on the four pillars of IFRS S1 and S2 disclosures.

Summary of findings

Our performance against key IFRS S1 & S2 indicators.

KCB GROUP IFRS S1 & S2 Disclosure Score



Key

- · Conceptual Foundation: ~3.5
- · Governance: ~3.0
- Strategy: ~2.8
- Risk Management: ~3.2
- Metrics & Targets: ~2.5

By averaging the values, the Group scores approximately **3.0** out of **5**, which indicates a **moderate level of alignment** with IFRS S1 & S2 disclosure requirements.

Scoring approach:

Each category is rated on a 1 to 5 scale, where:

- 1 = Minimal disclosure or alignment
- 5 = Comprehensive disclosure fully aligned with IFRS standards

The radar chart visually represents KCB Group's disclosure performance across these five dimensions, identifying areas of strength and opportunities for improvement.

Assumptions:

1. Strengths:

- KCB Group is making good progress in Governance (3), Risk Management (3.2) and Conceptual Foundation (3.5), meaning it has strong sustainability-related governance structures and policies in place.
- They are integrating sustainability considerations into risk frameworks, which is essential for compliance with ISSB standards.

2. Areas for Improvement

- Strategy (2.8/5): The Group needs to enhance its integration of sustainability-related risks and opportunities into its overall business strategy, particularly in conducting scenario analysis and stress testing.
- Metrics & Targets (2.5/5): KCB Group is in the process of establishing detailed disclosures on Scope 3 emissions, financed emissions, and quantitative sustainability-related financial impact assessments. Setting clear short- and long-term sustainability targets is crucial.

Recommended Actions

- Enhance Board & Executive Oversight: More visibility and expertise on sustainability-related financial risks at the Board level.
- Develop a Clear Sustainability Reporting Framework: To ensure transparency, align disclosures closely with ISSB and IFRS S1 & S2 guidelines.
- Improve Data Quality & Measurement: Better quantify climate and sustainability risks and link them directly to financial performance.

Conclusion

KCB Group is on the **right track and requires further improvements** in sustainability disclosures to fully align with IFRS S1 & S2. Strengthening governance, strategy integration, and sustainability-related financial disclosures will help them reach a higher compliance score.

Approac

Our 2025 ES Outlook

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IFRS S1 General Requireme	ents for Disclosure of Sustainability-Related Financial Informatio	
Levels	Observation	Recommendations for Improvement
Conceptual Foundation Entails Fair Representation, Materiality, Reporting Entity, Connected Information	 KCB Group provides comprehensive sustainability disclosures through the Sustainability and Integrated Reports. These reports provide insights into sustainability-related risks and opportunities. The KCB Group Sustainability report provides context on how material issues were identified. KCB Group moved from a single (2022) to a double (2023) materiality matrix without conducting a materiality assessment. 2022 material topics are different from the 2023 material topics (same strategy). Utilisation of various reporting frameworks: TNFD, NSE ESG Manual, UN PRB, and GRI. 	Develop a checklist against which the Group can ensure IFRS S1 requirements have been diligently considered. The Group to continue to ensure the usefulness of disclosures by meeting general requirements of S1, including the report being: Comparable Timely Verifiable Understandable To align sustainability-related financial disclosures with the annual financial statements Conduct materiality assessments informed by stakeholde engagement that incorporate financial impact. Full cycle of Double Materiality
Core Content IFRS S1 (25 - 53)	Governance (SR 23, 24 - 29) The report provides a detailed overview of the governance structure, including the role of the Board and its Subcommittees (Strategy, IT, Audit, etc.). The report mentions the integration of ESG risks into the Group's risk management framework. Lack of the Board visibility on the Group compliance on IFRS. Lack of timeline, training schedules, supervision, responsibilities, report format, data sources, estimates and judgments for IFRS reporting. The report highlights the role of the Sustainability unit in coordinating ESG initiatives and ensuring compliance with regulatory standards.	 Explicitly link governance of sustainability issues to financi performance or decision-making, including policies that govern the same. Provide detailed descriptions of how the Board and management specifically oversee sustainability-related ris and opportunities. Mention the Board's expertise in sustainability-related matters. Disclose if executive compensation is tied to the Bank's sustainability goals. Conduct a needs assessment to understand the level of awareness and knowledge of the board on IFRS, including but not limited to broader environmental, social and governance impacts. Develop, review, and approve the Group sustainability policy strategy in line with IFRS requirements (long-term

Strategy (SR 23, 32 - 47)

- The report outlines the Bank's sustainability strategy, including commitment to the UN SDGs
- The report discusses the "Beyond Banking Strategy 2020 - 2023" and "Transforming Today Together Strategy 2024 - 2026", which includes sustainability as a key pillar enabler.
- Develop a sustainability strategy in line with the current strategy "Transforming Today Together Strategy 2024 - 2026."
- Conduct resilience assessments, such as scenario analyses and stress tests, to quantify the Bank's impacts and resilience under various sustainability-related risks (climate, nature).
- Clearly explain how sustainability-related risks and opportunities are integrated into the Group's overall business strategy and value chain.

objective & stakeholder expectations.

- Provide a case of trade-offs considered in the strategy that is related to sustainability-related risks and opportunities.
- Clearly demonstrate how the sustainability initiatives are integrated into the Group's financial planning and capital allocation processes.
- The Bank should also describe how its financial position is expected to change over the short, medium, and long term due to its strategy to manage these risks and provide disclosures on the Group's resilience under various sustainability risk conditions.

Risk Management (SR 23, 50 - 59)

- The report covers climate-related risk management, social risks, and nature-related risks.
- The report discusses the Group's risk management framework, including the Three Lines of Defence Model and the integration of climate-related risks into the Enterprise Risk Management (ERM) Framework.
- The report mentions the Environmental and Social Due Diligence process for assessing risks in lending activities.
- Provide a detailed description of the processes used to identify and assess sustainability-related risks, particularly climate risks.
- The report provided some quantitative data on carbon emissions; KCB should provide detailed metrics on other sustainability-related risks, such as water usage, biodiversity impacts and social risks.
- Clearly outline specific strategies for mitigating identified sustainability-related risks.
- Specify how climate risks are ranked (low, medium, high) and their financial impact.

Metrics and Targets

- The report includes metrics on GHG emissions (Scope 1 and 2), water consumption, paper usage, power consumption, etc.
- The report mentions the Group's commitment to achieving Net Zero Emissions by 2050.
- Scope 3 emission target is available (long term), however, there is no net zero emission on Scope 1 and 2 (short-midterm).
- · Set specific reduction targets for financed emissions.
- Provide detailed data on Scope 3 emissions (such as indirect supply chain impacts).
- Specify short and medium-long-term goals for reducing emissions and other sustainability-related impacts.
- Provide a clear explanation of how the Bank is tracking progress towards its sustainability targets.

Executive Summary Leadership Our Sustainability Our Sustainability and Climate-related Messaging Approach Material Issues

	Messaging Approach	Material Issues
IFRS S2 General Requirem	ents for Disclosure of Climate-related Risks and Opportunities	
Levels	Observation	Recommendations for Improvement
Core Content IFRS S2 (5 - 37)	Governance (SR 23, 50 - 51) There is a lack of Board-level climate expertise disclosure The report has not provided a link between executive pay and climate performance.	Disclose board training on climate issues and provide clarity on whether remuneration is tied to climate goals.
	Strategy (SR 23, 32 - 47) The report has no clear financial impact assessment of climate risks. The report did not disclose any quantitative scenario analysis. The report did not provide disclosures on how it Provide a detailed scenario and the resilience of the Group's straclimate-related scenarios. Demonstrate how climate-related opportunities are integrated into planning and capital allocation planning allocation planning and capital allocation planning	 Demonstrate how climate-related risks and opportunities are integrated into the overall financial planning and capital allocation processes. Incorporate specific time horizons for achieving
	Risk Management (SR 23, 50 - 51) The report displayed no disclosure of the methodology for assessing climate-related risks and opportunities. The report provides an update that the Group Enterprise Risk Management (ERM) framework was updated to include climate-related risk as a principal risk. The report has no clear climate risk and opportunities prioritisation framework. KCB Group has demonstrated its intent to adopt climate stress testing and scenario analysis to enhance its assessment of climate-related risks and opportunities.	 Provide disclosures on a structured approach for assessing and ranking climate risks. Demonstrate quantitative risk thresholds or how risks are prioritized relative to other business risks. Implement climate stress testing and scenario analysis to better assess climate-related risks and opportunities.
	Metrics and Targets Availability of sustainability metrics derived from SDGs. KCB Group has reported on specific metrics for Scope 1,2 and 3 emissions. The report provided a glimpse of Scope 3 emissions, where the report focused on Category 15: Investments for KCB Bank Kenya Limited. Lack of sustainability targets; however, there is the existence of a sustainability plan and framework The report underwent limited assurance where GHG emissions were not part of the KPIs assessed. Has adopted the Central Bank of Kenya guidance on Climate Disclosures and thus adopted industry-based metrics where the Bank submits quarterly assessment reports to CBK with a specific focus on Scope 1 and 2 emissions.	 Develop a comprehensive sustainability strategy inclusive of metrics and targets. Measure greenhouse gas emissions in accordance with Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). Employ a robust data platform that would enable KCB Group to collate, collect, verify, and synthesise data for reporting. Develop an explicit decarbonisation pathway Develop clear short, medium and long-term emission reduction targets. Quantify the amount and percentage of business assets or activities that are aligned with climate-related risks and opportunities.

IFRS Adoption Roadmap

The adoption of IFRS S1 (General Requirement for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) represents a transformative shift in corporate reporting, requiring banks to integrate sustainability-related risks and opportunities (SrROs) into their financial and strategic frameworks.

These standards have been issued by the International Sustainability Standards Board (ISSB), aiming to establish a global baseline for sustainability reporting, ensuring consistency, comparability, and decision-useful information for investors and other stakeholders.

The below roadmap is designed to guide KCB Group and its subsidiaries through the technical and operational complexities of adopting IFRS S1 and S2, ensuring compliance with the standards while addressing the unique challenges of the banking sector.

Proposed three-phased Approach

The roadmap is structured into three phases, each with specific objectives, activities and deliverables, aligned with the phased adoption timeline outlined by the Institute of Certified Public Accountants of Kenya (ICPAK) - equivalent entities across Tanzania, Uganda and Rwanda, IFRS Jurisdictional Roadmap Development Tool as well as key learnings gathered from the Nairobi Securities Exchange Workshop on IFRS Sustainability Standards.

Engagemer	Appendices			
	nt and Planning (Voluntary Adoption 2024 - 2026) readiness, build capacity, and prepare for voluntary adoption of IFRS S1 and S2.			
Key Activities	Sub Activities	Status		
Gap Analysis	Conduct a detailed assessment of the Bank's current sustainability reporting practices against IFRS S1 and S2 requirements			
	Benchmark against industry peers and global best practices	Done		
Stakeholder Engagement	Engage internal stakeholders (Board, Senior Management, Staff) to secure buy-in and define different roles and responsibilities	Not Done		
	Identify external stakeholders (regulators, investors, government, media) to understand their expectations	Not Done		
Governance Framework	Establish or enhance a Sustainability Committee to oversee the IFRS adoption process	Ongoing		
Turrework	Define roles and responsibilities for sustainability reporting, including board oversight and management accountability	Not Done		
Capacity Building	Train staff on IFRS S1 and S2 requirements, focusing on data collection, governance, risk management and reporting	Ongoing		
	Develop training programs for the board and senior management to enhance their understanding of sustainability-related risks and opportunities (SrROs)	Not Done		
Data	Identify data sources for sustainability metrics (e.g. GHG emissions, resource consumption)	Done		
Collection and Management	Implement data systems for data collection, validation and storage	Not Done		
	Address data gaps by collaborating with internal teams and external partners	Not Done		
Pilot Reporting	Conduct a pilot run of sustainability reporting to test data accuracy, processes, and systems. Our 2024 Sustainability Report will be our pilot.	Ongoing		
	y Adoption (By 1 Jan 2027) If full compliance with IFRS S1 and S2			
Full Compliance	Implement full requirements of IFRS S1 and S2	Not Done		
with IFRS S1 and S2	Ensure disclosures cover climate-related risks and opportunities, including scenario analysis and transition risks	Not Done		
Enhanced Data	Strengthen data collection and reporting systems to ensure accuracy, completeness and reliability	Ongoing		
Management	Integrate sustainability data into the Bank's financial reporting processes.	Not Done		
Scenario Analysis and Risk	Conduct scenario analysis to assess the impact of climate-related risks (physical and transition risks) on the Bank's operations and financial performance			
Management	Integrate sustainability risks into the Bank's overall risk management framework, including financial impacts of these risks			
Assurance	Prepare for external assurance of sustainability disclosures	Not Done		
readiness	Engage licensed assurance providers to validate the accuracy and reliability of sustainability reports 2023 Sustainability Report is the first sustainability report for a financial institution in East Africa to be limited assured by Deloitte	Ongoing		
Stakeholder	Publish the first mandatory sustainability report in accordance with IFRS S1 and S2	Not Done		
Communication	Communicate the Bank's sustainability performance to stakeholders through annual reports, sustainability reports and investor presentations.	Not Done		
	e and Optimisation (Reasonable Assurance is a requirement by 1 Jan 2032) e reasonable assurance for sustainability disclosures and optimize reporting processes.			
External	Engage independent assurance providers to conduct reasonable assurance on sustainability disclosures	Not Done		
Assurance	Ensure assurance providers are licensed by ICPAK-equivalent entities across relevant subsidiaries and possess relevant sustainability accreditation	Not Done		
Scope 3	Begin reporting on Scope 3 emissions as required by IFRS S2	Not Done		
Emissions Reporting	Collaborate with suppliers and partners to collect data on Scope 3 emissions			
Optimisation of Reporting	Leverage technology (eg AI, data analytics) to streamline data collection, analysis, and reporting	Not Done		
Processes	Continuously improve the quality and reliability of sustainability data	Not Done		
Benchmarking and Peer Comparison	Compare the Bank's sustainability disclosure with industry peers to identify best practices and areas for improvement	Not Done		
2311124113011	Update the roadmap based on feedback, regulatory changes, and emerging trends	Not Done		

The roadmap outlined above summarises the Group's strategic contributions and serves as a foundation for customisation across respective subsidiaries. Each subsidiary is expected to adapt the roadmap to its specific context, ensuring alignment with broader organisational goals.

Approach

Subsidiary Spotlight

he Group is advancing a strategic initiative to fully integrate ISSB Standards (IFRS S1 and S2) across all subsidiaries. To support this objective, subsidiaries were directed to conduct comprehensive gap analyses of their existing sustainability practices against IFRS S1/S2 requirements.

These analyses utilised a structured assessment framework modeled on the ISSB's IFRS Jurisdictional Development Tool, enabling standardised evaluation of procedural, data and governance readiness. Following the gap identification phase, a formal IFRS Readiness Assessment was performed to quantify alignment maturity and prioritise remediation efforts.

The summarised outcomes of each subsidiary's readiness assessment are presented below, detailing performance against core IFRS implementation metrics. The assessments for TMB and KCB South Sudan Limited are ongoing and will be updated following the conclusion of the review.

Subsidiary Performance	Overall Score	Conceptual Foundation	Governance	Strategy	Risk Management	Metrics and Targets
BPR Bank Rwanda Plc	2.3	4	IFRS S1: 2 IFRS S2: 2	IFRS S1: 2 IFRS S2: 1	IFRS S1: 1 IFRS S2: 1	IFRS S1: 4 IFRS S2: 2
KCB Bank Uganda Limited	2.6	4	IFRS S1: 2 IFRS S2: 2	IFRS S1: 2 IFRS S2: 2	IFRS S1: 2 IFRS S2: 2	IFRS S1: 3 IFRS S2: 2
KCB Bank Tanzania Limited	2.6	3	IFRS S1: 3 IFRS S2: 3	IFRS S1: 2 IFRS S2: 2	IFRS S1: 2 IFRS S2: 1	IFRS S1: 2 IFRS S2: 1
KCB Burundi Limited	1	1	IFRS S1: 1 IFRS S2: 1	IFRS S1: 1 IFRS S2: 1	IFRS S1: 1 IFRS S2: 1	IFRS S1: 1 IFRS S2: 1
NBK Limited	2.3	3	IFRS S1: 2 IFRS S2: 2	IFRS S1: 2 IFRS S2: 2	IFRS S1: 2 IFRS S2: 3	IFRS S1: 2 IFRS S2: 2
KCB Bank Kenya Limited	2.7	4	IFRS S1: 3 IFRS S2: 1	IFRS S1: 2 IFRS S2: 2	IFRS S1: 3 IFRS S2: 4	IFRS S1: 3 IFRS S2: 2

Scoring approach:

Each category is rated on a 1 to 5 scale, where:

= Minimal disclosure or alignment

- Barely meets basic requirements; disclosures are superficial or incomplete.
- Significant deviations from IFRS standards: limited transparency.
- = Limited disclosure with partial alignment
- Disclosures address only some requirements but lack depth or context. Partial adherence to
- detailed explanations. Generally aligns with IFRS but misses IFRS, with notable gaps nuanced or complex requirements. or inconsistencies.
- = Moderate disclosure with basic alignment with strong alignment Adequate coverage
- Thorough and detailed of key areas but lacks disclosures across most material areas. Closely follows IFRS standards with minor exceptions or

interpretations.

- disclosure fully aligned with IFRS standards
- Exhaustive, transparent, and context-rich disclosures in all material aspects.
- Fully consistent with IFRS principles, methodologies. and reporting requirements

Engagement

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KCB Bank Kenya Limited

CB Bank Kenya Limited remains committed to driving sustainable development through innovative products, stakeholder collaboration, and robust governance. The Bank aims to solidify its leadership in sustainable finance while delivering long-term value to shareholders, customers and communities. Future initiatives will focus on expanding green financing, enhancing climate resilience, and fostering inclusive economic growth across Kenya.

The Detailed Assessment Findings

. NO 01	
General Requirements for Disclosure of Sustainability-Related Financial Infor	rmation

General Requiremen	nts for Disclosure of Sustainability-Related Financial Information		
Levels	Observation	Recommendations	Scoring
Conceptual Foundation Entails Fair Representation, Materiality, Reporting Entity, Connected Information IFRS S1 (10-24)	Some staff have undertaken trainings on IFRS S1 and S2 Material topics were identified through a survey The Bank has a Sustainability and SEMS policy	Implement bank-wide training to ensure knowledge dissemination across relevant business teams The training should be tailored to specific IFRS contexts that are relevant to the different business teams	4
Core Content IFRS S1 (25 - 53)	Governance (SR 23, 24 - 29) Board oversight committees (Audit, Risk, Strategy) oversee sustainability risks Sustainability Policy and SEMS policy guides identification of sustainability risks and reporting Limited evidence of board expertise in sustainability Top Leadership compensation is tied to sustainability metrics	Formalise Board training programmes on sustainability and disclose certifications	3
	Strategy (SR 23, 32 - 47) The Bank is currently reviewing the results of its scenario analysis and stress testing focused on sustainability risks. No evidence of financial impact assessments Alignment with Group's strategy Limited evidence of trade-offs considered in strategy development Stakeholder engagement process not detailed	Publish detailed scenario analyses and financial impact assessments Document case studies of trade offs between sustainability and business objectives Expand disclosures on stakeholder engagement methodologies	2
	Risk Management (SR 23, 50 - 59) Sustainability risks embedded in Enterprise Risk Management (ERM) framework Three Lines of Defence model applied to sustainability risks Risk prioritisation methodologies and thresholds not explicitly defined	Disclose risk-ranking frameworks Provide examples of risk mitigation strategies	3
	Metrics and Targets GHG Scope 1 & 2 emissions tracked; carbon footprint assessments conducted Scope 3 emissions conducted for financed emissions Short-medium targets lack specificity	Expand GHG reporting to include Scope 3 emissions of other categories Set short, medium and long term targets Engage auditors for independent verification of	3

2024 KCB GROUP SUSTAINABILITY REPORT

sustainability metrics

Executive Summary

IS S2 :neral Requiremer	nts for Disclosure of Climate-related Risks and Opportun	ities	
Levels	Observation	Implementation Roadmap	Scoring
Core Content IFRS S2 (5 - 37)	Covernance (SR 23, 50 - 51) Capacity building initiatives are mentioned No evidence of climate expertise among board members Executive compensation not linked to climate performance	Disclose Board members' climate related qualifications or training Tie executive bonuses to climate targets	1
	Strategy (SR 23, 32 - 47) Net zero commitment by 2050 aligned with the Group Scenario analysis lacks resilience testing Capital allocation processes for climate initiatives not detailed	Publish climate scenario analyses Disclose percentage of capital allocated to climate-resilient projects	1
	Risk Management (SR 23, 50 - 51) Climate risk embedded in ERM framework as a principal risk Nature-related risk assessments conducted Quantitative metrics are missing Calculated its financed emissions in 2024 and identified Commercial Real Estate, Business Loans and Motor Vehicle Loans as high emitting asset classes The Bank set targets in line with the NZBA guidelines and set a decarbonization strategy Limited disclosure of transition risk mitigation	Provide quantitative data on climate-related risks, including carbon emissions (Scope 1, 2, and 3)	4
-	Metrics and Targets Quarterly carbon footprint reports for Scope 1 & 2 emissions Decarbonization milestones not specified No biodiversity or water usage metrics disclosed	Expand metrics to include biodiversity impacts and water stewardship Define short term milestones	2

The Bank has averaged a score of **2.7 out of 5** that demonstrates moderate disclosures with basic alignment to the IFRS requirements.





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BPR Bank Rwanda PLC

s a subsidiary of KCB Group, BPR Bank Rwanda Plc has positioned environmental, social, and governance (ESG) principles at the heart of its operational ethos. By embedding sustainability into its governance, strategic planning, and risk management frameworks, the Bank seeks to strengthen long-term resilience while advancing Rwanda's socio-economic progress.

The Detailed Assessment Findings

Levels	Observation	Implementation Roadmap	Scori
Conceptual Foundation	Limited staff knowledge of IFRS with only a few staff having basic awareness The Bank does not report separately on sustainability	 Develop mandatory IFRS S1/S2 training for all staff, including senior management and board members 	4
Entails Fair epresentation, Materiality, eporting Entity, Connected Information	 The Bank identifies ESG issues through its Social and Environmental Management System (SEMS) & ongoing stakeholder engagements 	 Partner with accredited institutions for certifications and knowledge transfer 	

Core Content Governance (SR 23, 24 - 29)

IFRS S1 (25 - 53)

- · Board Risk Management Committee approves Sustainability Policy
- There is delegation of mandates to senior management
- · Bank designed locally focused Sustainability policy
- · No evidence of executive compensation linked to sustainability performance
- · Limited disclosure of board expertise in sustainability
- · Formalise board subcommittee mandates to explicitly include sustainability oversight Publish terms of reference for the Board
- Risk Management Committee
- Tie executive compensation to ESG performance metrics
- · Disclose board members' sustainability qualifications (e.g. attendance at climate-related trainings)

Strategy (SR 23, 32 - 47)

- · Scenario analysis and stress testing for sustainability risks are missing
- · Financial impact assessments of sustainability risks/ opportunities are qualitative and lack quantitative rigor
- Limited integration of sustainability into business
- strategy (e.g. no case studies on trade-offs)
- · Conduct scenario analysis and integrate findings into strategy
- Develop internal ESG risk models and use scenario-based stress testing to quantify financial impacts of sustainability risks and opportunities
- Publish case studies on strategic trade-

Risk Management (SR 23, 50 - 59)

- · No detailed processes for identifying or prioritizing sustainability risks
- · Sustainability risks are not fully integrated into the Enterprise Risk Management (ERM) framework
- · Mitigation strategies are not available
- Implement a taxonomy to categorize and score ESG risks
- Map sustainability risks to existing risk categories (credit, operational) and assign ownership to risk champions
- Develop targeted mitigation plans

Metrics and Targets

- Scope 3 emissions and biodiversity impacts are not quantified.
- · Data collection processes lack third-party assurance.
- · Long term targets lack interim milestones
- Disclose Scope 3 emissions using GHG Protocol and biodiversity impacts
- Engage third-party auditors to verify GHG data and green lending portfolio
- · Break down net-zero targets into annual milestones

Our Sustainability and Climate-related

IFRS S2 General Requiremen	nts for Disclosure of Climate-related Risks and Opportun	ities	
Levels	Observation	Implementation Roadmap	Scoring
Core Content IFRS S2 (5 - 37)	No formal board training programs on climate-related issues. Executive compensation is not linked to climate performance. Climate governance relies on ad-hoc committees (e.g., E&S Taskforce) without formal mandates	Enroll board members in climate risk management courses Introduce climate KPIs into executive bonus structures Establish a committee with a published charter outlining roles in overseeing transition/physical risks	2
	Strategy (SR 23, 32 - 47) No documented scenario analyses for transition/physical risks There are no clear time horizons for achieving climate-related targets Capital allocation processes do not explicitly integrate climate risks	 Publish a decarbonisation pathway with science-based targets (SBTi), including Scope 1-3 emissions reduction milestones. Allocate capital to low-carbon projects (e.g., renewable energy loans) and disclose % of CAPEX aligned with the Paris Agreement. 	1
	Risk Management (SR 23, 50 - 51) Physical/ transition risks are not systematically identified or quantified No evidence of climate stress testing Mitigation strategies lack adaptation/ resilience measures	Conduct climate stress tests and disclose results in financial statements Develop site-specific resilience measures Use tools to quantify physical risks and transition risks	1
	Metrics and Targets Decarbonisation pathway is informal (tree planting lacks measurable impact on emissions) No disclosure of Scope 3 emission and climate-related financial impacts	 Adopt SBTi criteria to set Scope 1-3 targets, validated by third parties Disclose climate-related financial impacts Align with TNFD to track nature-related dependencies 	1

The Bank has scored an average of **2.3 out** of 5 indicating significant gaps but with partial disclosures to IFRS requirements.





KCB Bank Uganda Limited

CB Bank Uganda Limited is committed to integrating sustainability into its core operations, guided by the International Financial Reporting Standards (IFRS) S1 and S2, particularly in governance, stakeholder engagement, and risk integration. By prioritising these actions, the Bank aims to solidify its position as a leader in sustainable banking, contributing to Uganda's broader climate resilience and inclusive growth agenda.

The Detailed Assessment Findings

Levels	Observation	Implementation Roadmap	Score
Conceptual Foundation Entails Fair Representation, Materiality, Reporting Entity, Connected Information IFRS S1 (10-24)	 The Finance and Risk Departments have undergone ISSB training Limited evidence of integrating sustainability disclosures into mainstream financial reporting Material topics aligned with KCB Group's SDG commitments but lack the Bank's materiality assessment The Bank uses UBA-developed template and ESG dashboard, but no explicit linkage to IFRS S1's "connected information" principle No structured materiality assessment process tailored to the Bank's operations. 	Conduct the Bank's materiality assessment	4
Core Content IFRS S1 (25 - 53)	Governance (SR 23, 24 - 29) No disclosure of board expertise in sustainability (e.g. certifications or dedicated training) ESG oversight resides with the Board Risk Committee; ESG Management Committee planned for 2025 ESG activities included in Balanced Score Cards but no explicit linkage to sustainability performance metrics.	 Expedite the formation of the ESG Management Committee. Publish board members' sustainability credentials and mandate annual training. Tie executive compensation 	3
	 The Bank has Sustainability & Social and Environmental Management Systems (SEMS) policy that mirror Group strategy. No scenario analyses or stress tests conducted but this is planned post-ESG Management Committee formation The Bank engages Bank of Uganda (BOU), suppliers and customers but lacks systematic documentation of stakeholder concerns There is qualitative integration into risk appetite frameworks; no quantitative financial impact assessments. Limited disclosure of trade-offs between sustainability goals and financial performance. 	to measurable sustainability KPls Conduct scenario analysis and integrate findings into strategy Publish case studies on strategic trade-offs	2
	Risk Management (SR 23, 50 - 59) Sustainability risks are embedded in credit, strategic and operational risk frameworks No methodology disclosed for ranking sustainability risks against financial risks ERM frameworks lack granularity for ESG risks Incomplete adoption of the Three Lines of Defense model for ESG risks	Develop an ESG risk register with prioritization criteria Update ERM framework to include ESG risk thresholds	2
	Metrics and Targets The Bank lacks third party assurance or alignment with GHG protocol There is monthly monitoring but no long term targets beyond 2025 No scope 3 emission disclosure There is data tracking done through monthly ESG Monitoring dashboard	Adopt GHG Protocol for Scope 1,2,3 emissions accounting Engage third-party auditors for data assurance Set science-based targets (SBTi) for emission reductions	4

Our Sustainability and Climate-related

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General Requiremen	nts for Disclosure of Climate-related Risks and Opportu	nities	
Levels	Observation	Implementation Roadmap	Score
Core Content IFRS S2 (5 - 37)	Covernance (SR 23, 50 - 51) Lack of board-level climate training The BOU framework guides the Bank on ESG practices There is no linkage between executive pay and climate performance	 Align compensation with climate targets Develop capacity at the board level 	2
	Strategy (SR 23, 32 - 47) The climate strategy aligns with the Group's net zero commitment but lacks bank-specific roadmap There is no time-bound decarbonisation pathway There are no climate scenario analysis; pending ESG Committee formation	Publish a net zero roadmap with interim targets	2
	Risk Management (SR 23, 50 - 51) Physical/ climate transition risks included in risk appetite reviews but not quantified No climate stress testing conducted Absence of climate risk quantification	Conduct climate stress tests Develop transition risk metrics Integrate climate risk into capital allocation	2
	Metrics and Targets There is absence of Scope 1,2,3 emissions baseline or reduction targets	Disclose full GHG inventory (Scope 1,2,3) and set annual reduction targets	1

The overall maturity level is scored as **2.6 out of 5** which indicates basic disclosures in alignment with IFRS S1 and S2 requirements.





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KCB Bank Tanzania Limited

CB Bank Tanzania Limited demonstrates robust progress in aligning with the ISSB standards, particularly in governance and risk integration. By addressing gaps in data granularity, stakeholder engagement and strategic execution, the Bank is poised to lead in sustainable finance while contributing to the Group's net zero ambition. Continuous improvement, guided by global standards and local realities, remains central to the Group's sustainability journey.

The Detailed Assessment Findings

The Detailed	Assessment Findings		
IFRS S1 General Requiremen	ts for Disclosure of Sustainability-Related Financial Information		
Levels	Observation	Implementation Roadmap	Scoring
Conceptual Foundation Entails Fair Representation, Materiality, Reporting Entity, Connected Information IFRS S1 (10-24)	 Training has only been done for staff and not for senior management and Board Sustainability Reporting to commence for the reporting year 2025, aligned to Bank of Tanzania - Guidelines on Reporting of Sustainability Related Risks and Opportunities. No documented methodology for identifying material sustainability topics. Material topic list and reporting entity boundaries are undefined 	 Extend training to board and senior management Develop a materiality assessment process to identify and prioritize sustainability topics 	3
Core Content	Governance (SR 23, 24 - 29)	Review executive compensation	3
IFRS S1 (25 - 53)	 Climate risks embedded in ERM framework; quarterly board discussion on climate risks; monthly senior management meetings KCB Bank Tanzania Limited Sustainability Policy exists No linkage between executive pay and sustainability performance metrics Climate risk discussions happen on quarterly board meetings There's complete disclosure of governance roles/ responsibilities for Sustainability Training was conducted on Governance and Sustainability 	frameworks to include ESG KPIs Formalise governance mandates for sustainability oversight in Board subcommittee charters	
	Strategy (SR 23, 32 - 47) The Bank is included in the Group's net zero 2050 target. No documented integration of sustainability risks/opportunities into the Bank's business strategy Financial impact assessments (quantitative/ qualitative) for sustainability risks are absent	 Develop the Bank's sustainability strategy with clear linkages to financial planning Conduct scenario analysis to quantify financial impacts of climate risks on liquidity, credit portfolios and operational resilience. Publish case studies or instances on strategic trade-offs 	3
	Risk Management (SR 23, 50 - 59) Sustainability risks are recognised in ERM, but mitigation strategies lack specificity Incomplete application of the Three Lines of Defense model to sustainability risks Risk prioritization methodologies (e.g. risk heat maps) for sustainability risks are undefined	Enhance ERM framework to include sustainability risk appetite statements and thresholds Map sustainability risks to Three Lines of Defense, clarifying roles for risk owners, compliance teams and internal audit. Implement risk prioritisation tools for ESG risks	2
	Metrics and Targets Sustainability metrics incorporated into Risk Appetite Limits Data collection processes for sustainability metrics are underdeveloped No short-/medium-term decarbonisation milestones Lack of industry-standard metrics (e.g., GHG Protocol) and third-party assurance processes	Adopt GHG Protocol for emissions accounting and disclose Scope 1-3 emissions by Q3 2025. Set science-based targets (SBTi) for emissions reduction, including interim 2030 targets. Engage third-party auditors to verify data quality and assurance processes (e.g., ISO 14064)	2

Executive Summary

Our Sustainability

Our Sustainability and Climate-related Material Issues

IFRS S2 General Requiremen	nts for Disclosure of Climate-related Risks and Opportunities		
Levels	Observation	Implementation Roadmap	Scoring
Core Content IFRS S2 (5 - 37)	Rovernance (SR 23, 50 - 51) No disclosure of board expertise in climate-related matters Board training on ESG governance was conducted Climate risks governed through ERM and Board Risk & Strategy Committee Executive compensation not linked to climate performance	Tie executive pay to climate targets Publish board members' expertise in climate-related matters	3
	Strategy (SR 23, 32 - 47) The Bank is included in the Group's 2050 net-zero commitment. The Scenario Analysis is planned for 2025 as per BoT's Climate-related Financial Risks Guidelines	Conduct climate scenario analysis to assess physical/ transition risks to assets Integrate climate risks into capital allocations Provide clear timelines for achieving climate-related targets	2
	Risk Management (SR 23, 50 - 51) Climate stress testing has been planned for 2025 but no evidence of resilience assessments. Climate risks included in ERM but lack granularity There are no quantitative metrics for climate risks Mitigation strategies are undocumented	Develop climate adaptation plans	1
	Metrics and Targets There is absence of time-bound targets for Scope 3 emission reduction The decarbonisation pathway is underdevelopment with no interim milestones	Finalise decarbonisation pathway by 2025, including 2030 and 2040 milestones	1

The Bank scores an average of **2.3 out of 5** that demonstrates foundational progress in aligning with IFRS S1/S2 but lacks comprehensive implementation.





KCB Bank Burundi Limited

Outlook

CB Bank Burundi Limited is committed to sustainability, integrating Environmental, Social and Governance (ESG) consideration throughout its operations. This holistic approach ensures long-term business success while actively contributing to Burundi's economic growth, social progress, and environmental stewardship. Through creating value for all stakeholders, including shareholders, customers, employees and the wider community, the ban balances immediate needs with the well-being of future generations.

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The Detailed Assessment Findings

Levels	Observation	Implementation Roadmap	Scoring
Conceptual Foundation Entails Fair Representation, Materiality, Reporting Entity, Connected Information IFRS S1 (10-24)	 The Bank lacks sufficient expertise to implement IFRS S1 and S2 No formal process to identify or report material topics The Bank does not publish standalone sustainability reports 	 Conduct training programmes for board members, management, and staff on IFRS S1/S2 requirements Develop a materiality assessment framework aligned with industry standards (e.g., SASB, GRI) to identify and prioritise ESG topics 	1
Core Content IFRS S1 (25 - 53)	No documented terms of reference, mandates, or board subcommittee responsibilities for sustainability oversight ESG risks are not integrated into the Enterprise Risk Management (ERM) framework No linkage between executive pay and sustainability performance metrics The Bank's policies lack explicit alignment with group sustainability strategy	 Formalize board oversight by drafting terms of reference for board committees (e.g., Strategy, Audit, Risk) to include sustainability responsibilities Tie executive compensation to KPIs such as GHG reduction targets or diversity goals. Revise subsidiary policies to align with group sustainability strategies and IFRS disclosure requirements 	1
	Strategy (SR 23, 32 - 47) Limited alignment with the Group's "Transforming Today Together Strategy 2024-2026," except for foundation programmes No documentation of scenario analyses or stress tests for sustainability risks No evidence of structured engagement with stakeholders on sustainability issues No quantitative/qualitative assessments of sustainability risks on financial performance	 Conduct scenario analyses (e.g., 1.5°C pathways) and stress tests. Develop stakeholder engagement processes and document trade-offs in strategy. Quantify financial impacts of sustainability risks/opportunities. Develop the Bank's sustainability strategy with clear alignment to the Group goals, including measurable milestones 	1
	Risk Management (SR 23, 50 - 59) No documented processes for identifying/assessing sustainability risks Sustainability risks not prioritized or integrated into ERM No application of the Three Lines of Defense model to sustainability risks	 Implement risk identification processes Develop risk prioritization methodologies and mitigation strategies Apply the Three Lines of Defense Model to sustainability risks 	1
	Metrics and Targets There is no manual tracking of metrics without standardised frameworks No short-, medium-, or long-term sustainability targets No third-party assurance for sustainability data	Engage third-party auditors to verify data accuracy and reporting processes. Set science-based targets with clear timelines Adopt industry-standard metrics for data collection and reporting	1

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· Adopt GHG Protocol for Scope

· Implement data verification

reduction targets.

1-3 emission and set Scope 3

processes to enhance reliability.

IFRS S2 General Requiremen	nts for Disclosure of Climate-related Risks and Opport	unities	
Levels	Observation	Implementation Roadmap	Scoring
Core Content IFRS S2 (5 - 37)	Governance (SR 23, 50 - 51) Board lacks training/certifications in climate-related issues No alignment between compensation and climate performance No evidence of compliance with climate regulations	 Enroll board members in climate risk management courses Introduce climate KPIs into executive bonus structures Map regulatory requirements and document compliance efforts. 	1
	Strategy (SR 23, 32 - 47) No resilience testing under decarbonisation pathways No documented scenario analyses for transition/ physical risks Climate risks not integrated into financial planning No bank-specific climate strategy or alignment with Group net-zero 2050 goals	Develop a climate transition plan with interim targets Conduct scenario analyses and stress testing to assess physical/transition risks Integrate climate considerations into financial planning and capital allocation	1
	Risk Management (SR 23, 50 - 51) No processes to identify/prioritise climate risks (physical/transition). No evidence of climate stress testing There is no Scope 3 emission data and biodiversity impact assessments	 Map climate related risks across operations Conduct annual climate stress tests to evaluate financial resilience Collect Scope 3 emissions data and adopt TNFD frameworks for biodiversity reporting 	1
	Metrics and Targets No documented decarbonisation pathway for emission reductions	 Publish a decarbonisation roadmap with annual milestones Disclose alignment with Science Based Targets initiative (SBTi) criteria 	1

The Bank scores an average of 1 out of 5 demonstrating limited disclosure and dismal alignment to IFRS requirements.





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National Bank of Kenya (NBK) Limited

BK Limited demonstrates strong foundational governance and strategic alignment with the Group's sustainability goals, particularly in green finance and partnerships. However, climate risk integration, Scope 3 emissions tracking and accountability mechanisms require acceleration to fully meet IFRS S1/S2 requirements.

Metrics and Targets

measurement

Tracks resource consumption with reduction targets

No use of industry-standard frameworks for emission

· No targets or disclosures for Scope 3 emissions.

Data collected monthly and verified via finance records

I FRS S1 General Requirements for Disclosure of Sustainability-Related Financial Information				
Levels	Observation	Recommendations for Improvement	Scoring	
Entails Fair Representation, Materiality, Reporting Entity, Connected Information	 Training on IFRS S1 and S2 is to be done within 2025. The Bank conducts materiality assessment and integrates ESG data into financial statements. Material topics considered for the Bank include: Environmental Impacts Social Impacts Stakeholder Engagements Resource Consumption 	Finalise detailed training on IFRS S1 and S2.	3	
IFRS S1 (10-24)				
Core Content IFRS S1 (25 - 53)	Board oversight of sustainability risks and opportunities exists, with terms of reference available There is no evidence of published terms of reference, mandates, or role descriptions for board subcommittees There is no linkage between executive pay and sustainability performance No third party assurance for sustainability data Internal capacity building is ongoing Governance framework includes roles/ responsibilities but lacks documented mandates	Formalize and publish board subcommittee mandates, including explicit sustainability oversight responsibilities. Align executive compensation with sustainability KPIs Engage third-party auditors to verify sustainability metrics	2	
	Strategy (SR 23, 32 - 47) Sustainability KPIs integrated into business strategy. Scenario analysis conducted for flooding risks. No documentation of other scenarios. Qualitative and quantitative assessments of sustainability risks on financial performance are pending. No case studies demonstrating strategic trade-offs between sustainability and financial objectives.	Expand scenario analysis to include diverse climate and social risks Develop a financial impact assessment framework for sustainability risks/ opportunities Document trade-offs in strategy	2	
	Risk Management (SR 23, 50 - 59) ESG risks are embedded into the Enterprise Risk Management (ERM) framework via materiality assessments and credit risk evaluations Three Lines of Defense model operationaled for ESG risks Climate risk stress testing and modeling for loan portfolios are in progress No clear thresholds or ranking methodologies for sustainability risks	Define risk appetite thresholds Finalise stress testing models for climate-related risks and publish results	2	

Our Sustainability Approach

Our Sustainability and Climate-related Material Issues

Levels	Observation	Recommendations for Improvement	Scoring
Core Content IFRS S2 (5 - 37)	Board trained on climate issues	Link executive bonuses to climate KPIs Disclose committee mandates to explicitly cover climate oversight	2
	Strategy (SR 23, 32 - 47) Aligned with the Group's Net Zero 2050 commitment. Tracking Scope 1 and 2 emissions No detailed roadmap with milestones for Scope 1 - 3 reductions	 Complete scenario analyses for 1.5 and 2 degrees celsius pathways Publish a net zero transition plan with interim targets 	
	Risk Management (SR 23, 50 - 51) Climate risks are integrated into Enterprise Risk Management No process for physical climate risk evaluation No disclosure of exposure to carbon-intensive sectors	 Conduct geospatial analysis to identify physical risks Disclose transition risk exposure. 	3
	Metrics and Targets Scope 1 and 2 emission monitored No quantitative data on water usage or biodiversity impacts Pending portfolio assessment; no interim targets	 Disclose water usage and biodiversity metrics Set Scope 3 targets for financed emissions 	2

The Bank has averaged a score of **2.3 out of 5** that demonstrates adequate coverage of key areas in relation to the IFRS requirements.





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ISSB Checklist

 $To promote industry-wide adoption of IFRS S1 and S2 sustainability reporting standards, this checklist was modelled on the $(1.5) \times (1.5) \times$ reporting guide template released by the Kenya Bankers Association (KBA).

Governance

ISSB Guidelines (Incorporates both		IFRS S1	IFRS S2	Disclosure Reference within the
IFRS S1 and S2)	Disclosure Requirements	Clauses	Clauses	Report
Governance Body				
About governance body (s) or	Which governance body(s), oversee the effective management of Sr/CrROs across the entity?	27 (a)	6 (a)	Pg 85 - 86
individual (s) responsible for	2. How are responsibilities for Sr/CrROs reflected in the terms of	27 (a) (i)	6 (a) (i)	Pg 61
oversight of Sr/ CrROs	reference, mandates, role descriptors and other related policies applicable to the governance body?			Pg 85 - 86
				Pg 119 - 120
	3. How are appropriate skills and competencies of the governance bodies determined or developed to oversee strategy designed to respond to Sr/CrROs?	27 (a) (ii)	6 (a) (ii)	Not Reported
	4. How and how often are those in the governance body(s) informed about the organisation's related risks and opportunities?	27 (a) (iii)	6 (a) (iii)	Pg 85
	5. Explain how those in (1) consider Sr/CrROs when overseeing the entity's strategy, decisions on major transactions, and its risk management process and related policies?	27 (a) (iv)	6 (a) (iv)	Pg 89
	Have those in (1) considered tradeoffs associated with those risks and opportunities?			
	How do those in (1) oversee the setting of targets related to Sr/CrRO, and monitor progress towards those targets?	27 (a) (v)	6 (a) (v)	Not Reported
	Have related performance metrics been included in remuneration policies? If so, how?			
Management				
About Management	Is management directly involved in the Sr/CrRO activities of their entity? Demonstrate how they are involved?	27 (b)	6 (b)	Pg 86
	2. Does the management possess sufficient knowledge of all major business lines to ensure that appropriate policies, processes, controls and risk monitoring systems are in place and that accountability and lines of authority are clearly delineated?	Not Specified	Not Specified	Pg 86
	3. How has the management deployed the appropriate skills to ensure that appropriate processes, controls and procedures are carried out to monitor, manage and oversee Sr/CrRO's?	27 (b) (ii)	6 (b) (ii)	Not Reported
	Is the management role delegated to a specific management-level position or management-level committee? How is oversight exercised over that position or committee?	27 (b) (ii)	6 (b) (i)	Pg 86
	5. What controls and procedures are used to support the oversight of Sr/CrRO? How are these controls and procedures integrated with other internal functions?	27 (b) (ii)	6 (b) (i)	Pg 14,

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Strategy

Executive Summary

				Diselection.
IFRS Guideline	Disclosures	IFRS S1	IFRS S2	Disclosure Reference
Sustainability/ Climo	tte-related risks and Opportunities			
Sustainability & Climate- related Risks and Opportunities (SrRO)	Identify and describe Sr/CrRO that could reasonably be expected to affect the entity's prospects.	29 (a)	10 (a)	Pg 41
	2. How are key stakeholders engaged on sustainability and climate related issues to better enable the institution to develop strategies to address relevant concerns?	29 (a)	9 (a)	Pg 40
	 Categorise each identified climate related risk as either a physical risk or transition risk. 	Not Specified	10 (b)	Pg 63
	 Specify the time horizons—short, medium or long term—over which the effects of each of those Sr/CrRO could reasonably be expected to occur. 	30 (b)	10 (c)	Not Reported
	Explain how the time horizons link to the planning horizons used for the entity's strategic decision making.			
Current and Anticipa	ited effects on business model and value chain			
Value chain and business model	 Describe the current and anticipated effects of Sr/CrRO on the entity's business model and value chain. 	32 (a)	13 (a)	Not Reported
	 Where in the entity's business model and value chain are Sr/CrRO concentrated? (for example, geographical areas, facilities and types of assets) 	32 (b)	13 (b)	Pg 42
Effects on Strategy o	and decision making			
Strategy and decision making	Describe how the entity responded to, and plans to respond to, Sr/ CrRO in its strategy and decision-making	33 (a)	14 (a)	Pg 20 - 25
	2. Describe any current and anticipated changes to the business model attributable to climate-related risks and opportunities including changes in resource allocation e.g., plans to manage or decommission carbon, energy or water-intensive operations, changes in demand or supply chain, or investments and expenditure, including on research and development, acquisitions and divestments?	Not Specified	14 (a) (i)	Pg 27
	 Describe any current and anticipated direct mitigation and adaptation efforts, for example, energy use, fleet management, employee commute, water consumption, resource consumption and usage of paper. 	Not Specified	14 (a) (ii)	Pg 61 Pg 83
	Describe any current and anticipated indirect mitigation and adaptation efforts, (for example, through working with customers and supply chains)	Not Specified	14 (a) (iii)	Pg 76
	 Details on any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies. 	Not Specified	14 (a) (iv)	Pg 151
	Details of how the entity plans to achieve any climate-related targets including greenhouse gas emissions targets it has set and any targets it is required to meet by law or regulation	Not Specified	14 (a) (v)	Page 81
	7. How is the entity resourcing or plans to resource the activities attributable to climate-related risks and opportunities?	Not Specified	14 (b)	Not Reported
	What's the progress against plans the entity has disclosed in previous reporting periods? Include both quantitative and qualitative information	Not Specified	14 (c)	Pg 33 - 37
	Describe how the entity considered trade-offs between SrRO e.g. cost of training employees vis a vis skill development	33 (c)	Not Specified	Pg 27

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IFRS Guideline	Disclosures	IFRS S1	IFRS S2	Disclosure Reference
Effects on financial po	sition, financial performance, and cash flows			
Financial position, financial performance, cash flows and financial planning	Describe the current and anticipated effects of Sr/CrRO on the entity's business model and value chain.	34(a) (b)	15 (a) (b)	Not Reported
	 Over the short-, medium- and long-term, disclose quantitative and qualitative information about the financial effects of Sr/CrRO. Include how the entity expects its financial position to change, given its strategy to manage Sr/CrRO, taking into consideration: 	35 (c)	15 (c)	Pg 24 Pg 30 Pg 41
	Investment and disposal plans, and,Its planned sources of funding to implement its strategy			Pg 80
	Disclose quantitative and qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage Sr/CrRO.	40 (b) (c)	21 (b) (c)	Not Reported
Resilience				
The organisation's capacity to adjust to uncertainties arising	Disclose information that explains the entity's capacity to adjust to the uncertainties arising from Sr/CrRO.	41	22 (a)	Pg 63
from sustainability- related risks	Include, where applicable, quantitative and qualitative assessment of the resilience of its strategy and business model and explain how and when the organisation carried out that assessment			
	For climate-related risks and opportunities, an entity shall use climate-related scenario analysis to assess its climate resilience and disclose:	Not Specified	22 (b)	Pg 182 Pg 156
	 The implications of the entity's resilience assessment, including potential responses to the possible outcomes identified in the scenario analysis; 			
	 Areas of uncertainty that affect the organisation's resilience assessment; 			
	 The organisation's capacity to adjust its strategy and business model over the short, medium and long term. 			
	For climate-related risks and opportunities, disclose how and when the organisation did its climate-related scenario analysis, including	Not Specified	22 (b) (i)	Pg 182
	how many and what type of scenarios the organisation used and why Include the time horizons and scope of operations to which the analysis applied.	·		Pg 156
	For climate-related risks and opportunities, what were the key assumptions made in the scenario analysis?	Not Specified	22 (b) (ii)	Not Reported
	For climate-related risks and opportunities, what was the reporting period in which the climate-related scenario analysis was carried out?	Not Specified	22 (b) (iii)	Not Reported

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Risk Management

Sustainability Risks Risk identification and monitoring and monitoring climate-related risks	identify, assess and prioritize sustainability/	IFRS S1	IFRS S2	Reference
Risk identification 1. How does the entity				
	?	44 (a)	25 (a)	Pg 40
2. How does this proces	ss monitor sustainability/ climate-related risks?	44 (a) (v)	25 (a) (v)	Pg 41
sources and the sco	rameters (for example, information about data pe of operations covered in the processes) y to assess, prioritise and monitor sustainability/ ?	44 (a) (i)	25 (a) (i)	Pg 42
-	apply scenario analysis to inform its ainability/climate-related risks? If so, how?	44 (a) (ii)	25 (a) (ii)	Not Reported
5. How does the entity the effects of those	assess the nature, likelihood and magnitude of risks?	44 (a) (iii)	25 (a) (iii)	Pg 42
6. How does this proce thresholds, or other	ss consider qualitative factors, quantitative criteria?	44 (a) (iii)	25 (a) (iii)	Pg 42
7. How does this proce relative to other type	ss prioritise sustainability/ climate-related risks es of risk?	44 (a) (iv)	25 (a) (iv)	Not Reported
· · · · · · · · · · · · · · · · · · ·	changed the processes it uses compared with ag period? If so, how?	44 (a) (vi)	25 (a) (vi)	Not Reported
9. Is scenario analysis i overall risk manager	ntegrated into and does it inform the entity's nent framework?	44 (c)	25 (c)	Not Reported
over time? Which in	considered that circumstances might change curn will affect the organisation's approach to e-related scenario analysis?	Not Specified	Not Specified	Not Reported
Sustainability Opportunities				
	identify, assess, prioritize and monitor te-related opportunities relative to other types	44 (b)	25 (b)	Pg 41
sources and the sco	rameters (for example, information about data pe of operations covered in the processes) y to assess, prioritise and monitor sustainability/ ortunities?	44 (a) (i)	25 (a) (i)	Pg 63
Managing Risks and Opportunities				
	es the entity have in place to manage Sr/CrROs?	43 (b)	25 (c)	Pg 179
2. Which Sr/CrROs fall	under this process?	30 (a)	9 (a)	Not Reported
3. What are the investi	ment and disposal plan for this process??	35 (c) (i)	16 (c) (i)	Pg 15
4. What are the planne	ed sources of funding to implement this process?	35 (d)	16 (c) (ii)	Not Reported

Metrics and Targets

IFRS Guideline	Disclosures	IFRS S1	IFRS S2	Disclosure Reference
Metrics				
For each sustainability/ climate-related risk and opportunity that could reasonably be expected to affect the company's	For each Sr/CrRO, what metrics are required by an applicable IFRS Sustainability Disclosure Standard.	46 (a)	27	Not Reported
	 For each Sr/CrRO, what metrics does the entity use to measure and monitor that SrRO and its performance in relation to that SrRO, including progress towards any targets the organisation has set, and any targets it is required to meet by law or regulation. 	46 (b)	28 (c)	Pg 72 - 75
prospects, the company is required to disclose metrics.	Do you apply a metric that is taken from another source other than IFRS Sustainability Disclosure Standard? If so, explain:	50 (a - d)	33 (a-g)	Pg 153
	How the metric is defined;			
	 Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure; 			
	 Whether the metric is validated by a third party and, if so, which party 			
	 The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made. 			
	Which approach, inputs and assumptions does the entity use to measure its GHG emissions?	Not Specified	29 (a) (iii) (1)	Pg 71
	5. Why has the entity chosen to use the approach, inputs and assumptions it uses to measure the GHG emissions?	Not Specified	29 (a) (iii) (2)	Pg 74
	Have there been any changes in the measurement approach, inputs and assumptions the entity has used during the reporting period? Why were there changes?	Not Specified	29 (a) (iii) (3)	Pg 74
	7. How are the Scope 1 and Scope 2 GHG emissions disaggregated between the consolidated accounting entity and other investees such as associates, joint ventures and unconsolidated subsidiaries?	Not Specified	29 (a) (iv)	Pg 71
	8. How are the Scope 2 GHG emissions disaggregated per location, and which are their associated contractual instruments?	Not Specified	29 (a) (v)	Not Reported
	9. What categories are included in the entity's measurement of Scope 3 greenhouse gas emissions, according to the categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3)?	Not Specified	29 (a) (vi) (1)	Not Reported
	10. Which category 15 GHG emissions are associated with the entity's investments (financed emissions)?	Not Specified	29 (a) (vi) (2)	Not Reported
	11. Does the entity apply a carbon price in decision-making? If so, how?	Not Specified	29 (f)	Not Reported
	12. Does the entity factor climate related considerations into executive remuneration? If so, how?	Not Specified	29 (g)	Not Reported
All Targets	Which approach has the entity used while setting each target? Has the approach been validated by a third party?	51	34 (a)	Pg 33, Pg 134
	How does the entity review each target and monitor its progress against it?	51 (g)	34 (b)	Pg 124
	Have there been revisions to the targets? If so, why?	51 (g)	34 (d)	Not Reported
	How has the entity been performing against each of the set targets? Have there been trends and changes in the entity's performance?	51 (f)	35	Pg 33 - 37
	 For each metric, indicate: The metric used to set the target The objective of the target The part of the entity to which the target applies e.g., entire or part of the entity, specific business unit etc. The base period from which progress is measured Existing milestones and interim targets Whether the quantitative target is an absolute or intensity target How has the target been informed by the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement? 	51 (a-g)	36	Pg 33 - 37

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IFRS Guideline	Disclosures	IFRS S1	IFRS S2	Disclosure Reference
GHG Emission targets	Which GHG emissions are covered by the target? In which category (Scope 1, 2 and 3) do these emissions fall?	Not Specified	36 (a)	Pg 166
	Is the target a gross GHG emission target or a net GHG emission target? If net, has the entity separately disclosed the associated gross greenhouse gas emission target?	Not Specified	36 (c)	Not Reported
	Was the target derived using a sectoral decarbonization approach?	Not Specified	36 (d)	Not Reported
	To what extent does the entity rely on the use of carbon credit to achieve its net GHG emissions target?	Not Specified	36 (e) (i)	Not Reported
	Which third-party scheme verified or certified the carbon credits used by the entity?	Not Specified	36 (e) (ii)	Not Reported
	Which type of carbon credit did the entity use?	Not Specified	36 (e) (iii)	Not Reported
	Was the underlying offset nature-based or based on technological carbon removals?	Not Specified	36 (e) (iii)	Pg 72 - 75
	Was the underlying offset achieved through carbon reduction or carbon removal?	Not Specified	36 (e) (iii)	Not Reported
	Which other factors may be considered to verify the credibility and integrity of the carbon credits the entity has used/ plans to use?	Not Specified	36 (e) (iv)	Not Reported

Our Tax

Outlook

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United Nations Principles for Responsible Banking (PRB)

024 marks our fifth year as a signatory of the UN Principles for Responsible Banking (PRB). Our ongoing commitment means consistently aligning our operations with their six core principles, which include integrating the UN Sustainable Development Goals (SDGs), the Paris Agreement on Climate Action, and other key international frameworks into our

To fulfill these principles, we have conducted robust impact analyses, set ambitious targets, and are making measurable progress toward achieving them. Furthermore, stakeholder engagement remains integral to our operations, and we actively collaborate with diverse groups to drive positive impact at all levels.

The summary below outlines our progress, structured around the six PRB principles. For a complete account of our journey, please read the full PRB report here.

PRB Principles	Our Commitment	Our Progress
		-
Alignment	We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement and relevant national and international standards.	As of 2024, we have adopted 14 out of the 17 SDGs. We ensure our sustainability initiatives are adopted across the seven countries that we operate. Our ability to serve this vast market is powered by a robust balance sheet of KShs. 1.96 trillion. This financial strength enables us to catalyze economic growth across the region, most notably through a substantial loan book that stood at KShs 900 billion in 2024. Supported by our dedicated team of 12,090 employees, we are well-positioned to continue empowering millions of customers and driving progress throughout the regions we operate in.
Impact and Target Setting	We will amplify our positive impacts and minimize the negative ones by managing risks to people and the environment from our activities, products, and services. This will be guided by publicly disclosed targets focused on areas of greatest potential impact.	Guided by the UNEP-FI PRB Impact Analysis Tool, we conducted a portfolio impact analysis in 2024 across our operations in Kenya, Uganda, Tanzania, Rwanda, and Burundi. For the next reporting cycle, we plan to expand this analysis to include South Sudan and the Democratic Republic of Congo (DRC).
		The results were highly encouraging, particularly in the impact areas of "Biodiversity and Healthy Ecosystems" and "Livelihoods," which each saw an increase of over 20%. This significant growth underscores the effective adoption of sustainable practices such as agroforestry and livestock farming, driven by initiatives like Linda Miti and Mifugo ni Mali.
		Furthermore, our commitment to inclusive development is exemplified by the 2Jiajiri program. Through this vocational training and skills development initiative, KCB Group has empowered marginalized groups, enabling youth and women to build sustainable livelihoods in high-growth sectors like agribusiness, technology, and the creative economy.

Impactful Action for Sustainable Growth

Executive Summary

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	Messaging Approach	Material issues
PRB Principles	Our Commitment	Our Progress
Clients and Customers	We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	Our customer-centric initiatives have yielded exceptional results, highlighted by a Net Promoter Score (NPS) of 69—a 9.5% year-over-year increase. This achievement signals stronger customer trust in the KCB brand and validates our unwavering focus on delivering seamless, customer-first experiences. This efficiency is further reflected in our average resolution time of just 1.4 days.
		Our dedication to fostering inclusive growth is powerfully illustrated by the Female-Led and Made Enterprise (FLME) Programme. Since its inception in 2022, cumulative disbursements now stand at Kshs. 139 billion, directly benefiting 60,799 entrepreneurs and driving economic inclusion at scale.
		Simultaneously, our commitment to sustainable finance continues to accelerate. We are continuously evaluating financed projects of KShs. 50 million and above for environmental and social risks. In 2024 alone, we assessed projects valued at over KShs. 578 billion. Cumulatively, this focus has propelled our green lending portfolio to 21.32% of our total lending.
Stakeholders	We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.	KCB Group has identified its key stakeholders, including customers, employees, suppliers, investors, regulators, policymakers, and business partners. To effectively engage these groups, the Bank has addressed their primary concerns through tangible financial commitments. This approach is demonstrated by the allocation of KShs. 40.3 billion in employee benefits, the payment of KShs. 20.2 billion in Group taxes to the government, and the distribution of KShs. 9.6 billion in shareholder dividends.
Governance and Culture	We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	Our Board of Directors is central to upholding the integrity of our external reporting through robust internal processes and multiple layers of oversight. This includes a direct responsibility for overseeing sustainability and climate-related risks to ensure a comprehensive assessment of business risks across the entire Group. This toplevel governance is reinforced at the subsidiary level, where each has its own Board Risk Management Committee to oversee risk matters within their operations.
Transparency and Accountability	We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	Annually, we disclose our progress and achievements in ESG through a report aligned with the International Financial Reporting Standards (IFRS) S1 and S2, issued by the International Sustainability Standards Board (ISSB). Prepared for the same entity and reporting period as our Group Consolidated Financial Statements, this year's report marks a significant milestone: it is our second publication to undergo limited assurance and features an expanded set of Key Performance Indicators (KPIs). This builds upon the strong foundation of our previous report, which was recognized with the Best ESG Report award at the Kenya ESG Awards.









Impactful Action for Sustainable Growth









