

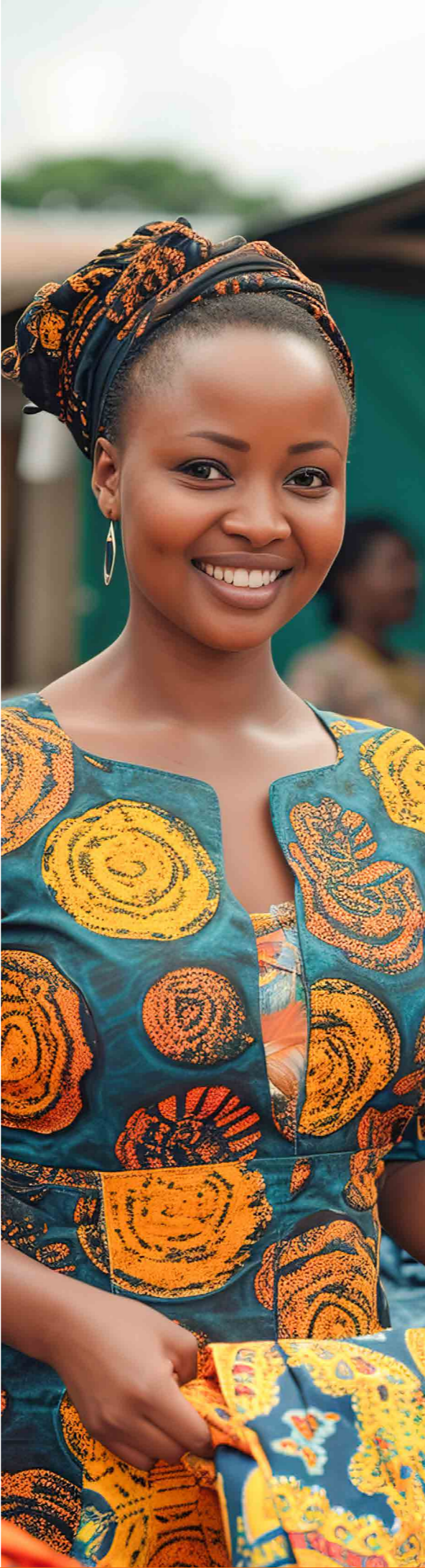


Sustainability Report 2023

TOUCHING LIVES
EMPOWERING COMMUNITIES

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Abbreviations

AFRC	Anti-Fraud Round-table Committee	ICMA	International Capital Market Association
ALM	Anti-Money Laundering	KYC	Know your Customer
ATE	Association of Tanzania Employees	KPI	Key Performance Indicators
ATM	Automated Teller Machine	MSE	Micro Small Enterprises
Bn	Billion	MSME	Medium Micro Small Enterprises
CAGR	Compounded Annual Growth Ratio	NDC's	National Determined Contribution
CEO	Chief Executive Officer	NEMC	National Environment Management Council
CFT	Counter-Terrorism Financing	NPS	Net Promoter Score
CSI	Corporate Social Investment	PSI	Payment Card Industry
CSR	Corporate Social Responsibility	PIN	Personal Identification Number
CO₂	Carbon dioxide	POS	Point of Sale
DSS	Data Security Standards	QR	Quick Response
ESG	Environment, Social and Governance	SDG	Sustainable Development Goals
ESRM	Environmental and Social, Risk Management	SME	Small Medium Enterprises
FIBUCA	Financial, Industrial, Banking, Utilities, Commercial and Agro - Processing Industries Trade Union	tCO₂e	Tank of Carbon Emission
FIU	Financial Intelligence Unit	TFCFD	Task Force on Climate-related Financial Disclosures
GHG	Greenhouse Gases	TFRS	Tanzania Financial Reporting Standards
GRI	Global Reporting Initiatives	Tn	Trillion
HR	Human Resource	TUICO	Tanzania Union of Industrial and Commercial Worker
ICT	Information and Communication Technology	UN	United Nations
IFC	International Finance Corporation		

About this Report



Purpose of the Report

This Sustainability report complements our 2023 Integrated Annual Report, providing further information on our sustainability journey, approach, strategy, performance, and progress for the financial year 2023. We focus on issues that we have determined to be of material importance from an environmental, social, and governance (ESG) perspective, a broader standard than that used in our financial and annual reports.

This report includes information on the purpose-led investments we have undertaken to support sustainable development and deliver positive societal and environmental outcomes aligned with the United Nations Sustainable Development Goals.

Reporting Boundary

This report comprises financial and non-financial information detailing the bank's activities, including the sustainability agenda and strategic narrative.

Reporting Framework/Standards

This Sustainability Report has been prepared in accordance with international and national reporting standards and guidelines.

1. The Global Reporting Initiatives (GRI) standards—core Option, issued in October 2016, and the G4 financial sector disclosures by the GRI Global Sustainability Standards.
2. Dar es Salaam Stock Exchange listing Rules 74 (8) on the Sustainability Report and per the Guideline described in the rules.
3. Bank of Tanzania's Guidelines on Climate-Related Financial Risks Management, 2022
4. Tanzania Financial Reporting Standard I (TFRS 1).
5. Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

These standards and frameworks help provide investors with all relevant sustainability and ESG information, enabling stakeholders to make proper, material strategic decisions based on material sustainability facts.

Combined Assurance

Both management and internal audit, conducted a comprehensive review to guarantee accuracy in reporting and disclosures. The Board and Board Committees played their respective roles in overseeing this process. The report includes specific details extracted from the Integrated Annual Report and Audited Financial Statement.

Scope of this Report

The data and information in this report cover activities undertaken from January 1, 2023, to December 31, 2023. The report includes information about NMB Bank's sustainability performance. Any

subsequent material events occurring after this timeframe and up to the report's approval by the Board of Directors of NMB Bank have been duly considered and communicated.

Report Content and Materiality

The inclusion of information in this Report is determined by our application of the materiality concept. We deem any subject to be material if it has the potential to greatly influence revenue generation, value creation, and the corporate culture of the Bank.

Directors' responsibility

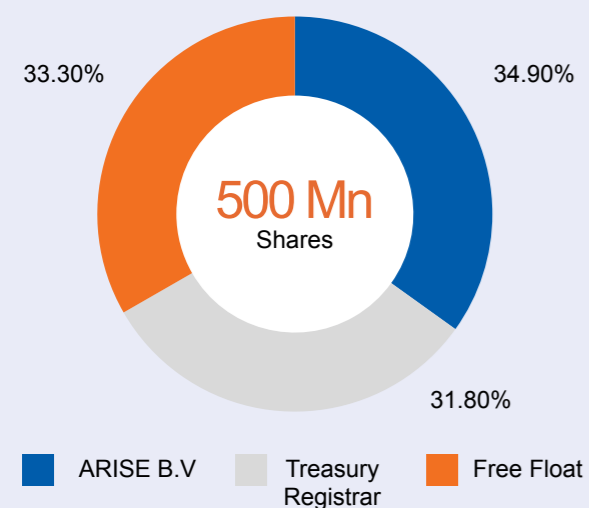
The NMB Bank Plc Board of Directors reviewed, approved, and endorsed the report on **5 July 2024**. Any questions and comments that need to be addressed can be sent to investorrelations@nmbbank.co.tz.

NMB at a Glance

NMB Bank Plc is a fully-fledged commercial bank incorporated in the United Republic of Tanzania and licensed under the Banking and Financial Institutions Act, 2006 to conduct banking business in Tanzania. The Bank is regulated by the Bank of Tanzania (BoT) and is subject to the Banking and Financial Institutions Act, 2006 provisions and regulations.

The Bank is a Public Company limited by shares incorporated in the United Republic of Tanzania in 1997 under the Companies Act, Cap 212 (as amended) and listed on the Dar Es Salaam Stock Exchange (DSE) under the ticker symbol NMB.

Stable ownership structure with 33% free float public investors

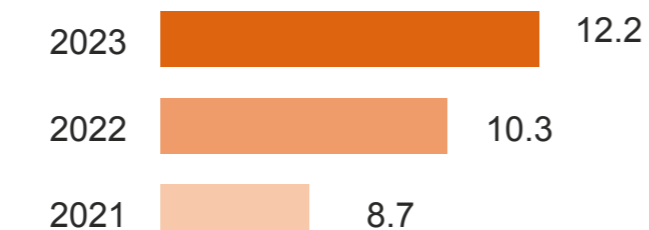


Scale and stability

A Vast Network



Total Assets (TZS Tn)



A leading market position in Tanzania

TZS 2.25 Tn

Market Capitalisation (as at 31 December 2023)

84%

Customers onboarded digitally in 2023

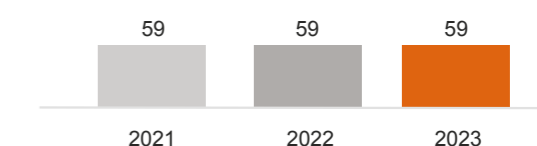
24.1%

Market Share in Net Loans

21.8%

Market Share in Customer Deposits

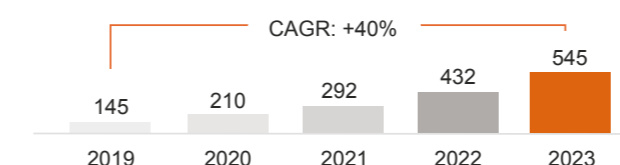
Net Promoter Score (NPS)



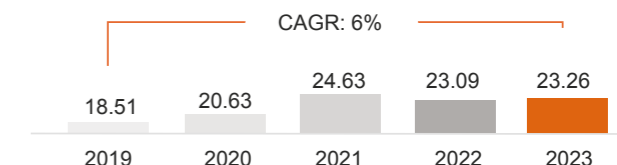
Creating Long-Term Value for Shareholders

Growing Institutional Strength

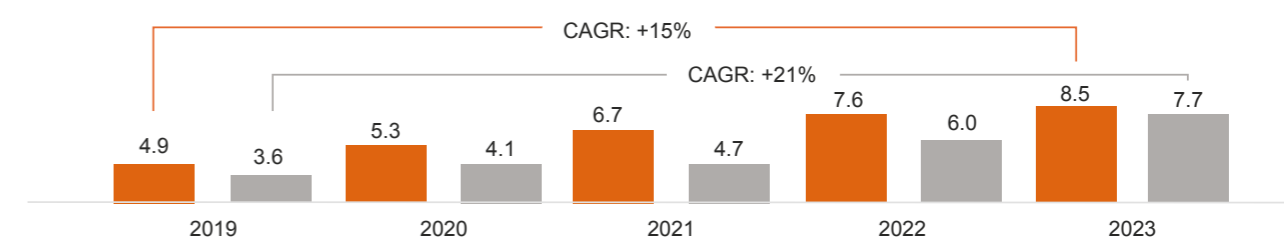
Net Profit (TZS Bn)



Total Capital Ratio (%)



Net loans and advances and customer deposits (TZS Tn)



NMB Overview

Our Vision

To be the preferred financial services partner.

Our Mission

To be the Bank of choice, delivering an innovative and transformative customer experience that promotes financial inclusion and wellbeing.

Our strategic goals

Create long-term Customer Experience.

Our values

- Integrity
- Compliance
- Customer Focus
- Teamwork
- Innovation

Our Strategic Pillars

- Winning Proposition
- Operational Efficiency
- Innovate For the Future

Business Segments

Retail Banking

Wholesale Banking

Treasury Banking

Ways of Banking



Branches & ATMs

With a widespread physical presence spanning the country, we operate



Branches

ATMs

231 715



Agency Banking (WAKALA):

Our extensive agency banking network complements our robust physical channels.

Agent outlets

28,295



Mobile Banking (NMB Mkononi):

Access various banking services, money transfers, and payments easily via *150*66# or the NMB Mkononi App



Internet Banking (NMB Direct):

Our Internet Banking platform ensures the seamless fulfillment of our customers' banking needs.



Cards, POS, QR Codes:

We offer diverse payment solutions, including over 111,000+ QR codes

Cards

POS devices

4.1 Million +3,300



Call Center, chat banking:

Customers benefit from our Call Center for inquiries, service, sales, and Interactive Voice Response (IVR) features. Secure banking via WhatsApp chat is also available.

Our strengths



Leadership

NMB leverages the expertise of a seasoned Board of Directors, backed by a proficient Executive Management team, who actively foster a thriving organizational culture and guarantee strategy execution.



Talent

The Bank has a diverse workforce of more than 3,600 individuals, brought together by shared principles and a culture that promotes inclusivity and excellence.



Innovation and Partnerships

NMB consistently improves its digital capabilities and collaborations, leveraging cutting-edge technologies to enhance accessibility, streamline processes, and ensure utmost security in banking.



Service Excellence

NMB is devoted to grasping customer needs and utilizing data-driven insights and innovation to offer an exceptional customer experience.



Governance

The Bank possesses a robust and efficient governance structure, founded on the most stringent global benchmarks. This structure serves as the bedrock for achieving sustained prosperity and showcases the honesty and openness that our stakeholders anticipate.



Resilience

We are a domestic, systemically important bank with total assets exceeding TZS 12.2 trillion, robust liquidity, and strong credit ratings.



A Responsible Bank

The Bank strongly emphasizes sustainability within its strategic priorities. We are dedicated to enhancing NMB's role in supporting Tanzania's goal of fostering an inclusive and environmentally friendly economy through various CSI and ESG projects.



Brand

NMB possesses significant brand equity and entices an expanding customer base of over 7.1 million individuals.

Message from the Chairman

The Board closely monitors the strategic significance of the sustainability manifesto and ensures that the organization incorporates sustainability factors into its strategy, operations, and risk management. The Board plays a crucial role in integrating sustainability within the NMB's core values, fostering long-term value creation, and protecting the interests of stakeholders and the wider society.

In recent years, NMB has proactively embraced CSI and ESG considerations, including providing Board-level guidance on matters related to Sustainability. NMB is proactively embedding ESG in its day-to-day operations and overall business strategy. This is reflected through the commitment of the Board to dedicate and set aside TZS 2 billion to support Climate and Sustainability initiatives, which saw the Bank planting and nurturing 1.2 million trees countrywide in 2023. This commitment is to signify the Bank's leadership zeal for nature conservation and carbon reduction through afforestation.

The key emphasis for the Board in 2024 includes:

- The Board's focus in 2024 shall remain broadly unchanged. We will continue accelerating the implementation of our sustainability agenda, focusing on climate-related matters, sustainable finance, operations, and financial inclusion underpinned by good corporate governance.
- Through governance over our lending activities, we will continue championing a practical transition to a low-carbon economy while balancing Tanzania's unique needs for continuous economic growth, poverty reduction, and social inclusion.

- We shall continue to embed climate-related risks in our decision-making by enhancing our ESG risk assessment capabilities throughout the organization. This will be achieved through accelerated investments in our people, governance frameworks, data analytics, and technological capabilities.
- Collectively, we seek to continue championing NMB Bank to be a force for good by supporting sustainable and inclusive socio-economic development in Tanzania through our products, services, and operations, including in MSMEs and Agriculture.
- The Board shall continue to advocate for continuous investments in digital transformation, a strategic lever to enhance financial inclusion in Tanzania. By driving the financial inclusion agenda, we aim to continue shaping NMB into the market leader.
- As a good corporate citizen, we will continue to support our communities through our Corporate Social Investment (CSI) initiatives covering health, education, and financial literacy. In doing so, we have set aside TZS 5.4 billion in 2024 to support these key socio-developments. In addition, we will continue reducing our carbon footprint through our tree-planting initiative and sustainable business and operations. In the longer term (up to 2030), we plan to plant more than 10 million trees that will absorb at least 200m kgs of CO2 per year at maturity through collaboration with our key stakeholders.
- In the coming years, you should expect NMB to become a sustainability champion and a true leader in the region. The investments and initiatives, all backed by our unwavering commitment and a greater sense of corporate

purpose, will shape an organization that is sustainable and future-proof, that is able to balance risks and returns whilst addressing business, economic, societal, and environmental needs of today's world and tomorrow's operating environment.

As we forge into 2024, our bank remains dedicated to advancing governance practices that uphold our sustainability principles. We are poised to elevate our sustainability efforts and make a meaningful impact in the financial sector by adopting best practices, integrating climate risk management, establishing a sustainability steering committee, and adopting international reporting sustainability standards.

"I believe that NMB is on course to become the leading sustainable bank that creates value beyond financial returns, including long-term impact on the community, economy, and the environment. While we are pleased with our progress thus far, I fully appreciate that more can always be done. The Board is working closely with Management and our stakeholders through continuous engagement and partnerships to ensure we sharpen our focus on driving the sustainability agenda with enhanced commitment, disciplined execution, and progress reporting. As the Board chair, I commit to working tirelessly with fellow directors, management, and other stakeholders to solidify our long-term existence and positively impact our communities and economy."

Dr. Edwin P. Mhede
Board Chairman



Message from the Chief Executive Officer

We take pride in our resounding performance and the progress made in several strategic areas, including advancing customer experience, expanding financial inclusion, and accelerating strategic investments in our people, governance, and technology to drive enhanced value creation.

Our commitment to enhancing governance in alignment with our sustainability manifesto remains unwavering. In 2023, the bank took decisive steps by approving recommended policies, strategies, and performance management frameworks.

Notably, we successfully integrated climate risk considerations into our enterprise risk management framework (ERMF) and crafted a robust climate risk management policy that harmonizes with our existing Environmental and Social (E&S) impact management policy and the Bank of Tanzania's Guidelines on Climate-Related Financial Risk Management.

Execution of our strategy has led to record outcomes and key milestones:

- We opened over 1,200,000 customer accounts in 2023, bringing our total customer accounts base to over 7.1 million customer accounts.
- We accelerated significant investments in our people and sustained Employer of Choice status. The Association of Tanzania Employers (ATE) has named NMB Bank ("The Best Employer, 2022") and 1st Runner Up in 2023.
- We remained the market leader in digital investments and innovation, and our continued investments in this field received global recognition. The Euromoney, Global Business Magazine, and International Bankers Awards named us "The Best Bank for Digital Solutions and Innovation."
- Our commitment to society and the environment remained evident. In 2023, we invested over TZS 6 billion in education, health, and climate-related initiatives.
- We also continued to play a leading role in the sustainability agenda by issuing a sustainability bond that raised over TZS 400 billion. In

recognition, we have been named the Best Bank for CSR (Euromoney) and "The Best Commitment to ESG Principles" in 2023 (the International Banker).

- The quality of our governance principles also continues to improve markedly and remains a distinguishing factor for us. In 2023, the Global Business and Finance Magazine named NMB "The Safest Bank in Tanzania," while the Tanzania Revenue Authority named us "The Largest and Most Compliant Taxpayer in Tanzania."
- Euromoney has again (10 times in 11 years) named us the Best Bank in Tanzania, further underscoring NMB's market leadership position.

Amidst a landscape marked by heightened competition, technological disruptions, evolving consumer trends, and regulatory shifts, NMB Bank continues to navigate significant concerns through our strategic, cultural, and digital advancements.

By addressing these material matters, we safeguard our value creation, while amid increased competition, we focus on innovation, leveraging automated and digitized solutions to sustain competitiveness and mitigate the risk of market share loss and revenue pressure.

We have embraced disruptive technologies and digital adoption, forging strong partnerships between business and technology. This has enabled us to adapt to the evolving business landscape categorized by digital transformation.

Also, to meet rising expectations, we actively engage stakeholders, incorporating their input into strategic planning and adopting transparent value creation through integrated reporting.

Additionally, we allocate substantial investments toward compliance and risk mitigation in response to ongoing regulatory and policy changes. We engage policymakers for regulatory reforms and foster relationships with regulators to facilitate our navigation through evolving regulatory environments effectively.

Furthermore, we remain vigilant against current and emerging risks, maintaining robust cybersecurity frameworks to mitigate the threat of cyber-attacks.

We have integrated long-term Environmental, Social, and Governance (ESG) criteria into business decisions, ensuring stakeholder benefits amidst climate change risks. Our initiative aims to align business practices with ESG principles, promoting positive social and environmental outcomes while ensuring long-term financial viability and stakeholder value. By integrating ESG factors into frameworks, the bank identifies and mitigates environmental and social risks, ensuring financial stability and reputation preservation. We also promote financial inclusion by offering tailored products and services to underserved populations, including low-income individuals, small businesses, and rural communities.

We finance projects and businesses contributing to environmental protection, social development, and economic growth, such as renewable energy, sustainable agriculture, and affordable housing. We enhance transparency by providing comprehensive information on ESG performance, enabling stakeholders to make informed decisions. Strengthening collaboration with stakeholders amplifies the impact of sustainability initiatives and

"The year's achievements underscore our continuing role as an engine for sustainable development and economic prosperity, enabling new opportunities for our clients and stakeholders."

"We are humbled and honored by our clients, shareholders' trust, and the dedication of our employees, who have propelled us to achieve these historic milestones".

Ruth Zaipuna
Chief Executive Officer

effectively addresses complex challenges. We engage in environmental stewardship, including conservation and resilience-building initiatives to mitigate climate and environmental risk.

Looking ahead to 2024, the bank has established a dedicated sustainability steering committee to oversee the day-to-day operations of our sustainability agenda. This committee will play a pivotal role in driving sustainable practices throughout our organization, ensuring that sustainability remains a core focus in all aspects of our operations. Furthermore, we are gearing up to implement the International Financial Reporting Standards (IFRS) S1 and S2, which set forth essential requirements for comprehensive sustainability-related financial disclosures. By adhering to these standards, we aim to enhance transparency, accountability, and comparability in our reporting, providing stakeholders with a clear understanding and tracking of our sustainability performance and commitments.



Multi Award Winning Bank

31 Awards

Tanzania Revenue Authority

- Overall, Winner
Largest Taxpayer in Tanzania (All Sectors)
- Overall, Winner
Most Compliant Taxpayer in Tanzania
- Largest Taxpayer in the category of Financial Institutions in Tanzania

Association of Tanzania Employers

- Runner-Up in the overall winner category
Best Employer of the Year 2023
- Runner-up
Best Private Sector Employer 2023
- Quality, Productivity, and Innovation Award
- Best Employer
Gender Equality and Equity Award

Global Business and Finance Magazine

- Best Bank in Tanzania 2023
- Safest Bank in Tanzania 2023
- Best Corporate Social Responsibility Initiative Tanzania 2023
- Best Retail Bank Tanzania 2023

Euromoney Awards for Excellence 2023

- Best Bank for Digital Solutions in Tanzania
- Best Bank for CSR in Tanzania 2023
- Best Bank in Tanzania 2023
- Best Private Bank for High-Net-Worth Individuals in Tanzania

Global Business Magazine

- Best Innovation in Retail Banking in Tanzania
- Best Retail Bank Tanzania 2023

International Business Magazine

- Best Retail Bank Tanzania 2023
- Best SME Bank Tanzania 2023

African Banking Awards: EMEA Finance

- Best Bank in Tanzania

International Bankers Awards

- Best Innovation in Retail Banking in Tanzania

Global Brands Magazine

- Best Investment Bank Tanzania 2023

Africa Bank 4.0 Awards

- African's Banking CEO of the year 2023 (Tanzania)
- Best Bank in Tanzania 2023 Award

International Banker 2023

- Best Commitment to ESG Principles Tanzania 2023

Global SME Finance Awards 2023

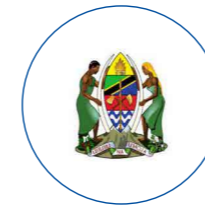
- SME Financier of the Year Award

World Economic Magazine

- Best SME Bank Tanzania
- Best ESG Bank Tanzania 2023
- Best Bancassurance Provider Tanzania 2023
- Best Banking CEO Tanzania 2023

2023 Sustainability Partnership and Engagements

Government



United Republic of Tanzania



Revolutionary Government of Zanzibar

International



Arise



IFC



FMO



Rabobank



Proparco



British International Investment (BII)



Adelphi



FSD Africa



Frankfurt School of Management



Africa Natural Capital Alliance (ANCA)



Africa Guarantee Fund (AGF)



United Nations

Non-governmental



Central Park Bees



Africa Carbon Agency



ABSA Bank Tanzania

Sustainability Model and Strategy

Our sustainability strategy is based on our GRI materiality assessment and guided by the UN SDGs.



2023 Sustainability performance highlights

Strategic Pillars

2023 Update

Sustainable Operations



#1

Largest and Most compliant Taxpayer award

1.4%

Improvement in Gender pay gap

88%

Employees formally trained on antibribery, fraud, AML and Code of Conduct

350

Senior management personnel trained on Sustainability

32%

Percentage of female employees in senior leadership

90%

Culture Transformation progress

76

Automated HR processes

Sustainable Financing



Jasiri Bond Highlights

TZS

74.3 Bn

287% Subscription rate

83%

Investors Outside DSM

99%

Retail Investors

Jamii Bond Highlights

TZS

400 Bn

Total Amount raised

99%

Local Investors

99%

Retail Investors

Climate Risk



1.2 Mn

Trees planted in 2023

24 Mn Kg

Estimated CO₂ absorbed because of 1.2 Mn trees planted

32 Tn

Paper Usage (80% reduction)

14%

Energy consumption reduction

TZS

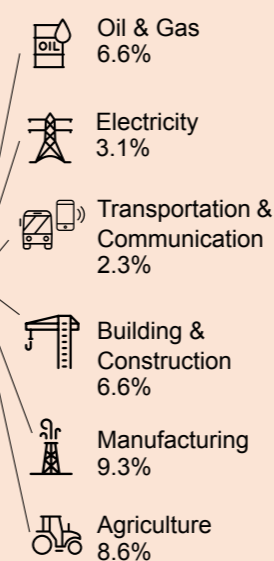
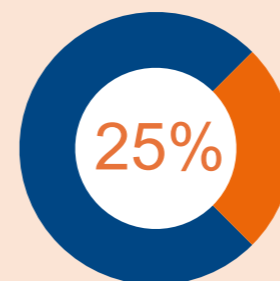
2.0 Bn

Dedicated towards Climate and sustainability initiatives

14,812 tCO₂e

Annual estimated GHG emissions from operations

Climate risk exposure portfolio



Financial Inclusion



Customer Experience

59

NPS score

Customer Satisfaction

87%

New to Banks customers

1.2 Mn+

Youth customers

3.3 Mn+

% of active Youth customers

Women customers

2.4 Mn+

% of Women customers to total customers

Total Loans issued to Women

TZS

953 Bn

Building Better Tomorrow (BBT)

TZS

20 Bn

Amount committed to support BBT Programme



Enablers

Sustainability governance and policies

Targets, KPIs and rewards

Training and upskilling

Stakeholder management and communications

External partnerships and commitments

Reporting and disclosures

Governance approach to Sustainability

The Board is responsible for the overall direction toward sustainability and approves the Bank's sustainability policy and strategic direction.

Board's Role

The Board defines ESG/sustainability in the context of its fiduciary duty, which is to oversee the long-term success and viability of the organization while considering its impact on the bank itself, stakeholders, and the broader society (who form part of our clients-the reason for our being in the market), and environment. This definition guides the NMB Board's decision-making processes and strategic direction, ensuring that the factors related to ESG (including its emerging opportunities and challenges) are integrated into corporate governance practices and business operations.

Role of the Board in the Oversight of Sustainability

The role of the Board in the strategic oversight of sustainability is multifaceted and crucial for ensuring that the organization integrates sustainability considerations into its strategy, operations, and risk management. The Board plays a critical role in embedding sustainability into the DNA of the NMB, driving long-term value creation, and safeguarding the interests of stakeholders and the broader society.

Roles and Responsibilities

The Executive Committee, chaired by the Chief Executive Officer, is tasked with the following roles and responsibilities:

1. Endorsing policy and strategy and proposing them to the Board of Directors for approval.
2. Overseeing the Bank's sustainability policy, plans, and implementation.
3. Endorsing sustainability performance before reporting to the Board of Directors, at least on an annually.

The Sustainability Steering Committee, chaired by the CFO (and Treasurer as Co-Chair), is tasked with the following responsibilities:

1. Reviewing strategic direction before presenting them to the Executive Committee or other relevant committees.
2. Supporting and overseeing the implementation of sustainability initiatives and progress.
3. Monitoring and assessing performance against targets quarterly and reporting to the Executive Committee
4. Appointing special task forces to manage new and emerging sustainability issues as appropriate.

Performance measurement

Progress in our sustainability-related initiatives is reflected directly in the balanced scorecards of the CEOs and relevant executives. The balanced scorecards are used to set objectives, drive action, measure performance, and determine the remuneration of our people.

Reporting Frequency

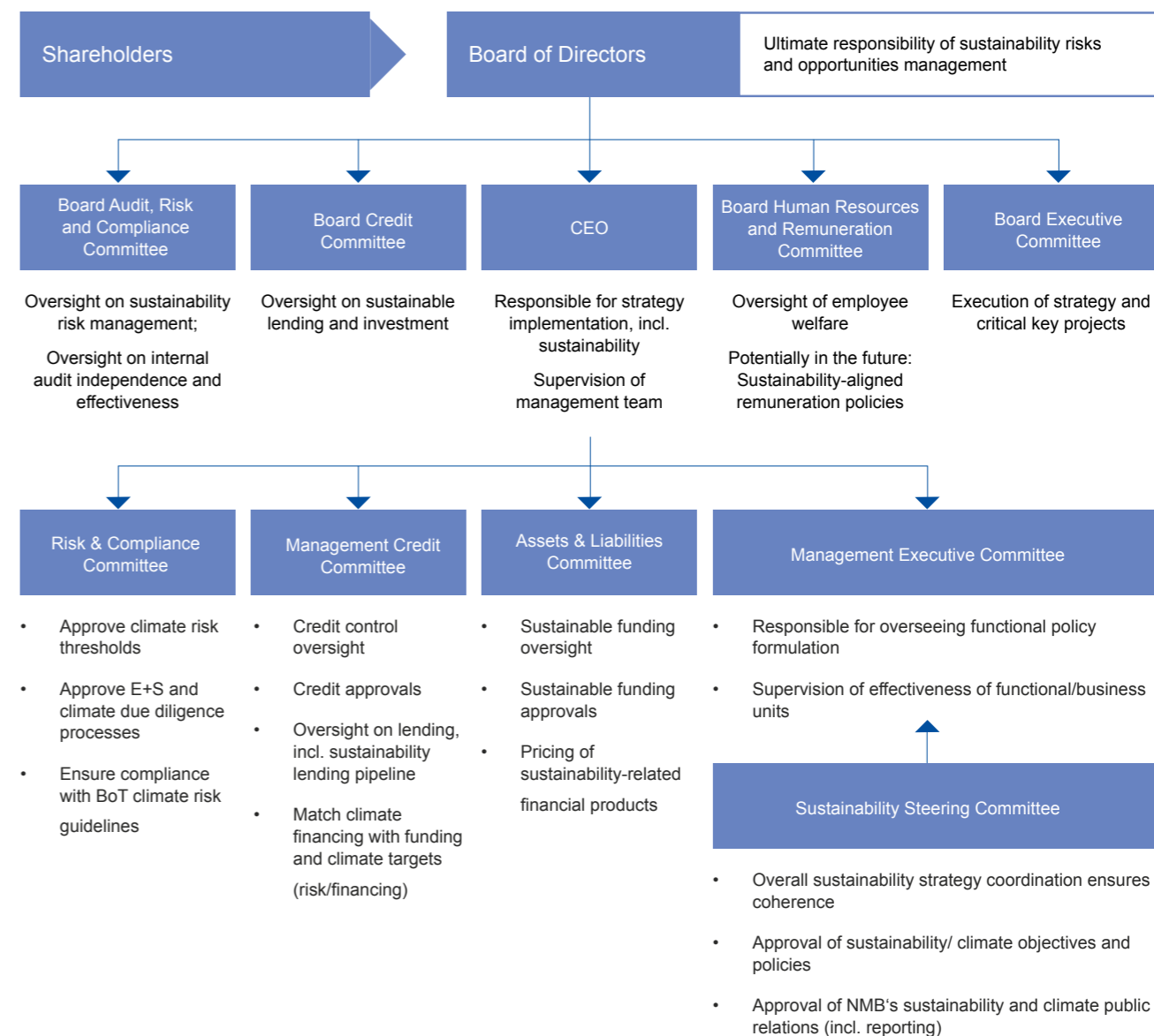
NMB's sustainability report is quarterly reported at the Board level for internal progress updates and annually as an externally published report that undergoes a formal approval process before publication.

4 meetings

Held by the Bank's Sustainability Steering Committee in 2023

Governance approach to Sustainability

The Board is responsible for the overall direction toward sustainability, with the role and responsibility to approve the Bank's sustainability policy and strategic direction.



Stakeholder Engagement and Value Creation

Our value creation is underpinned by a strong foundation of robust corporate governance, strategic risk management, and a commitment to our customers and communities.

Working with our stakeholders, we can identify, engage with, and respond to material sustainability and ESG topics and meet their expectations.

Delivering Stakeholder Value



Customers

Safeguarding and expanding the financial assets of individuals and private and public institutions.



Employees

Rewarding careers, competitive perks, and rewards with professional development.



Investors

Providing robust return and long-term value to investors.



Regulators / the Government

Engaging with relevant authorities to support a conscientious regulatory framework.



Community

Contributing to the nation's socio-economic progress, the Bank is dedicated to supporting endeavors that foster a robust and enduring economy, guided by Tanzania's leadership vision.



Suppliers

Collaborating with multiple vendors, offering them fresh avenues for business growth, and ensuring prompt payments.

How we engage with stakeholders

Stakeholders group	Their most important ESG topics	How we engaged
Customers	High quality and seamless service, Customer privacy and data protection, Strong cyber risk management, Reasonable service fees, Innovative financial solutions and services, and responsible ethical practices.	Face-to-face interactions, Interactions at our branch network, Social media and website channels, Call center interactions, and Customer satisfaction surveys.
Employees	Continuous training and career development, Job satisfaction and recognition, Competitive benefits, Trust, respect, fair employment practices, Embracing equity, diversity, and inclusiveness, and a Safe and healthy work environment.	Periodic engagement initiatives such as the SIKIKA platform, BM meetings, Townhall, HR Support services, HR policies and procedures, Periodic performance reviews, Team building, games and recreation activities, Training, seminars, and workshops, Employee annual feedback and satisfaction survey, as well as HR business partnering support.
Investment Community	Strong corporate governance and ethical practices, Timely disclosure and compliance with laws and regulations, Sustainable growth and operations, Responsible banking practices, and adherence to ESG principles.	Quarterly financial results publications, Annual reports, Annual general meetings, Quarterly investor breakfasts, Presentations, conferences, seminars, roadshows, and Periodic meetings with Credit rating agencies.
Government and Regulators	Strong corporate governance and ethical practices, Compliance, including policy formulation and enforcement, Prevention of financial fraud, terrorism financing, and money laundering, Compliance with tax laws, and Adhering to the laws of the land.	Regular meetings, Mandatory filings and reporting with regulators, Policy updates and directives, Consultative meetings with regulators, Audited annual reports, and Reports of those charged with governance.
Community	Good corporate citizen, Inclusive and equal employment opportunities, Responsible financing, Contributing to job creation, Partnership to address social and environmental issues, Support for communities and access to funding for societal needs.	Participate in the Government's employment creation initiatives, Support financial inclusion initiatives, CSI programmes, and finance sustainable projects.
Suppliers	Fair and transparent bidding and selection process, Strong Governance and ethical conduct, Timely communication, and dispute settlement.	Regular vendor meetings, Purchase contracts, Requests for proposals, and quotations.

Materiality assessment

Our approach to materiality determination

We have undertaken a double materiality assessment, which aims to determine the impact business activities, specifically the management of Sustainability Risks, can have on the environment, society, and economy and inform our decisions on how to manage and disclose these impacts.

1

Engage Stakeholders and Gather Inputs

The determination of materiality matters for consideration was informed by a review of overall business performance in 2023 as well as discussion and engagements with our key stakeholders internally.

Internally, we surveyed employees across the Bank's different functions and units. We also interviewed members of the Board and Management Executive Committee.

2

Identify Issues & Map Relationships

The most relevant ESG topics for NMB Bank were identified and mapped accordingly.

3

Risks and Opportunities Assessment and Ranking

We analysed survey and interview results by stakeholder groups and produced an initial materiality assessment, ranked according to significance.

We reviewed the stakeholder engagement results to test the analytical exercise's outcome.

4

Validate material topics and Adjust Strategy to respond

We validated the prioritised material topics with the Management Team to align with NMB's long-term strategic ambition and vision.

The material topics identified through stakeholder engagement were validated through a second round of interviews

with ExCo (responsible for driving the Bank's sustainability agenda).

Results were prioritised as material to NMB and our key stakeholders. Subsequently, common topics were grouped based on validation by senior management (as detailed on the following page).



10+ ↗

Interviews with Internal stakeholders

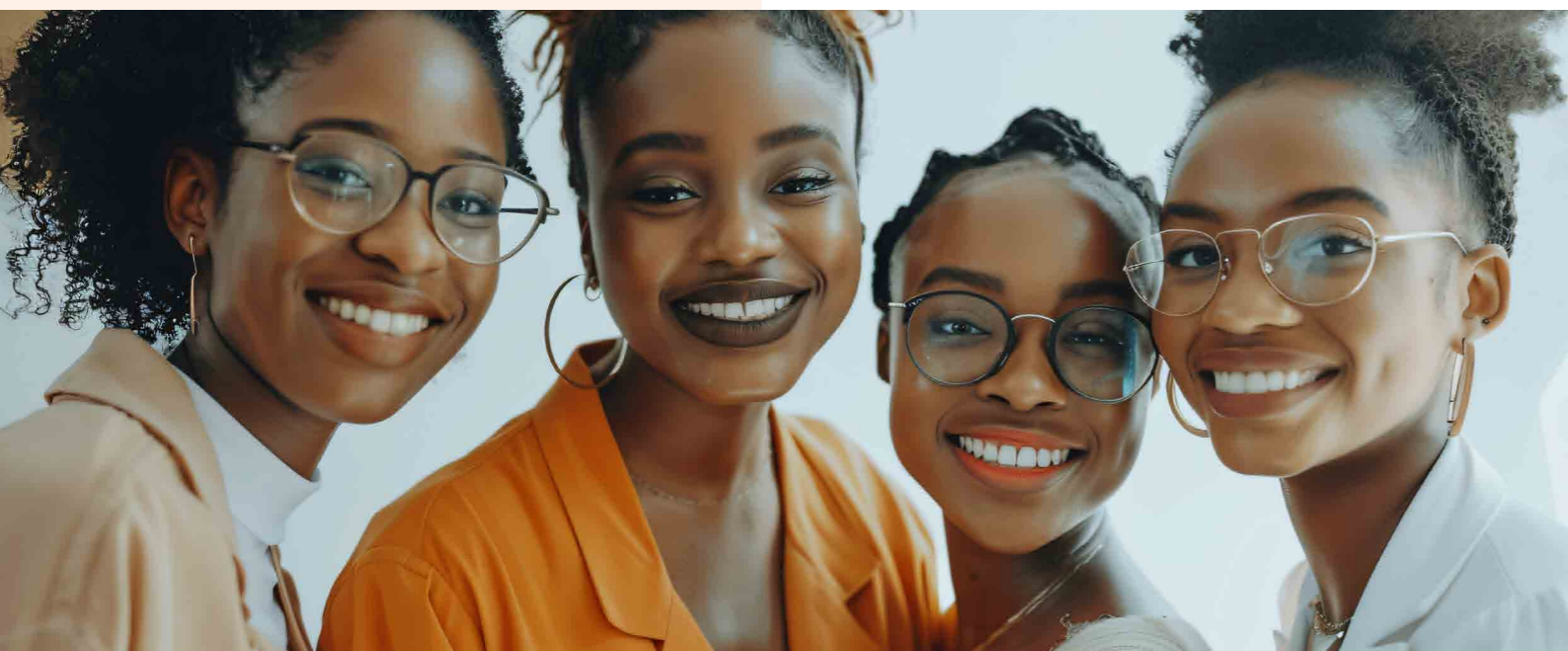
Over 10 Divisions within the Bank were Interviewed to identify key material issues relevant for the Bank. These include Strategy Unit, Investor Relations, Treasury, Procurement, Audit, and Credit, Environmental and Social Risk.

2+ 👤👤

At least two staff members from each division were interviewed about sustainability issues within the bank.

20+ 👥

Interviews with Staff, including Members of the Management Team



NMB material topics

Environmental topics

- Sustainable Financing
- Climate Change and Community engagement.
- Reducing own emissions
- Environmental and Social risk management (ESRM)
- Reduce financed emissions

Social topics

- Financial inclusion
- Sustainable Financing
- Financial digital inclusion and innovation Employee
- Development and well-being
- Corporate Social Investments
- Equity, Diversity, and Inclusion
- Upskilling, learning and Development
- Customer satisfaction

Governance topics

- Demand for good governance, regulations, and Risk management
- Risk management





Material ESG matters

Identify

We identify ESG matters that may impact the execution of our strategy and those pertinent to the market in which we operate, in accordance with stakeholders' expectations and our license to operate.



Prioritise

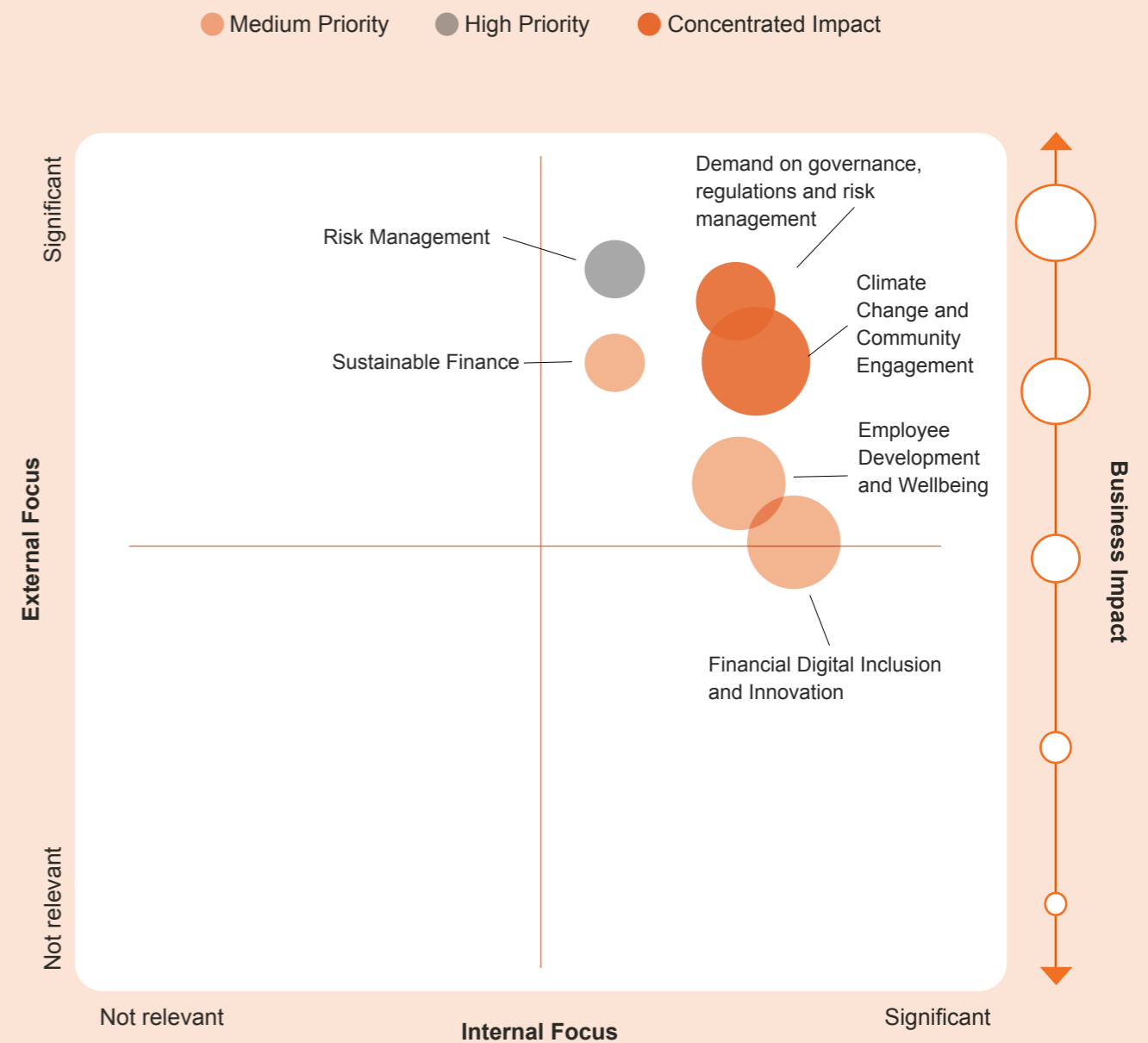
From the list of identified ESG matters, we prioritise those that most significantly impact our ability to successfully execute our strategy and deliver long-term value to our stakeholders.



Integrate

Those ESG matters that are material to value creation are integrated into our balanced scorecard, which is used to set objectives, drive behaviours, measure performance and determine the remuneration of our people.

Materiality to the Business to the Business



Sustainable Operations

NMB upholds responsible business practices by adhering to the highest ethical standards to maintain integrity and trust.



14%

Energy Consumption Reduction
2022:12%

22%

Total GHG Emission (tCO2e)

TZS

4.2 Bn

CSI Spent (ESG Budget: 2 Tzs Billion)

TZS

386 Mn

Workforce Productivity (2022: 342 Mn)

Sustainable Operations

Net zero operations

Why it matters

Our responsible business practices have a direct, positive impact on two areas critical to our growth; our strength and stability as a leading financial institution and our capacity to meet the needs of our key stakeholders.

To achieve this, we consider economic, environmental, and societal considerations in our daily business.

Our approach and progress

The Bank actively embraces effective corporate governance through well-defined governance structures, recognized as vital support for our capacity to create and preserve value.

Our governance approach not only propels the achievement of strategic objectives but also harmonizes the interests of all stakeholders, fostering sustainable value creation. Moreover, our Board maintains an unwavering commitment to advancing corporate governance principles and practices by staying abreast of regulatory changes and best practices.

Our corporate governance approach ensures that the bank:

Adheres to applicable legal, regulatory, and effective corporate governance practices. Delivers sustainable impact to the bank's stakeholders.

- Cultivates an ethical and risk-awareness culture.
- Promotes transparency, accountability, and empathy in managing relationships with stakeholders.

Continual improvement in corporate governance principles and practices remains a key focus, ensuring the bank's resilience in a dynamic regulatory landscape and adherence to the highest standards of ethical conduct and responsible business practices.

Our Commitment

NMB pledges to achieve carbon neutrality and reduce carbon emissions in its operations by 2030, aligning with Tanzania's NDCs, and global efforts to limit global warming and transition to a low-carbon economy.

- To plant 10 million trees in Tanzania by 2030.
- NMB to invest in carbon offset projects to neutralize remaining emissions, focusing on projects with verified emission reductions and co-benefits for communities and ecosystems.
- NMB to implement energy efficiency measures across its facilities and operations.
- NMB to reduce its own operational emissions by 30% in 2030 against a 2023 benchmark.
- NMB to accelerate the Bank's transition to renewable energy sources for our operations.

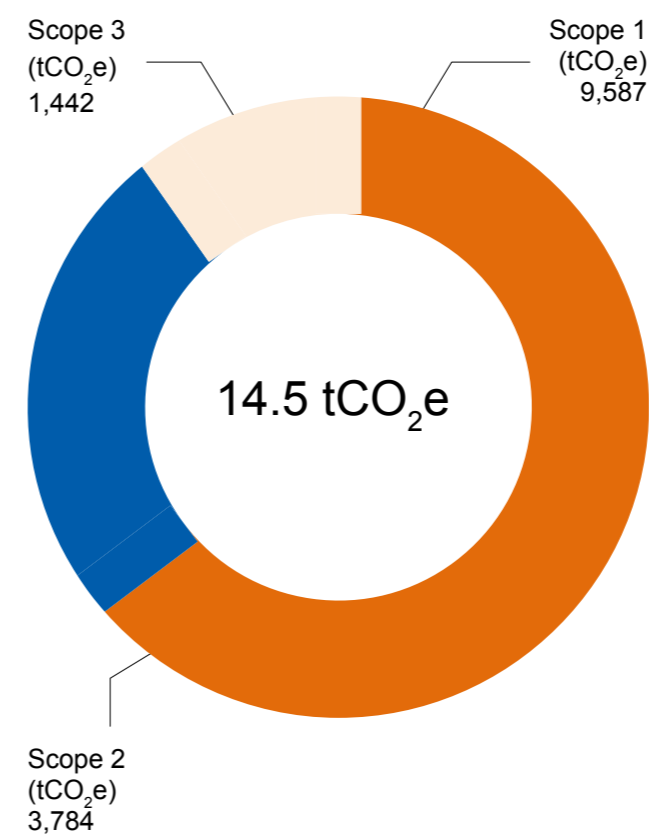
Energy Consumption Highlight

Energy consumption Reduction



Total GHG Emissions (tCO₂e)

Total GHG emissions by NMB increased by 22%





Our People

Why it matters

NMB Bank dedicates considerable resources to nurturing its talent and expanding capabilities to ensure our people are fully equipped and feel supported throughout their roles. Our organizational structure offers clear job descriptions and responsibilities, aligns with relevant strategic objectives and furnishes employees with the necessary resources and support to enhance engagement and performance.

Our approach and progress

Our employment and labor practices strictly comply with labour laws and regulations. The Bank continues to cultivate a unique organizational culture and workplace environment. We are steadfast in our commitment to promoting the welfare and professional growth of our peopleour people's welfare and professional growth.

Our approach to fair and responsible Remuneration

We promote fair and competitive remuneration that encourages performance and assists in attracting and retaining talent. Rewards, recognition, and equal remuneration are continually aligned to support stated productivity improvement objectives. The Bank has established coherent policies and practices that ensure fair and responsiblecompensation for both executives and employees, taking into consideration performance, compliance with governing laws, and the highest standards of governance.

Employee engagement

NMB Bank has experienced improved staff engagement, attributed to the leadership's commitment and implementing an open- door policy. As part of our strategic approach to fostering a cohesive and engaged workforce, the Bank has

strategically divided its operations in the country into seven zones, each encompassing multiple regions. To strengthen this structure, HR business partners are allocated to each zone, facilitating personalised and localised support for employees. This commitment to employee satisfaction is reflected in the upward trajectory of our satisfaction survey results.

Culture transformation

In pursuing sustainable and impactful organizational practices, NMB Bank introduced a comprehensive culture transformation program prompted by a culture survey conducted in 2022. This survey served as a foundational step to identify gaps in our existing culture, enabling a systematic approach to address these issues. As we approach the end of the two-year intervention period, we are pleased to report that 90% of the agreed-upon interventions have been successfully closed, signifying significant progress in our cultural evolution.

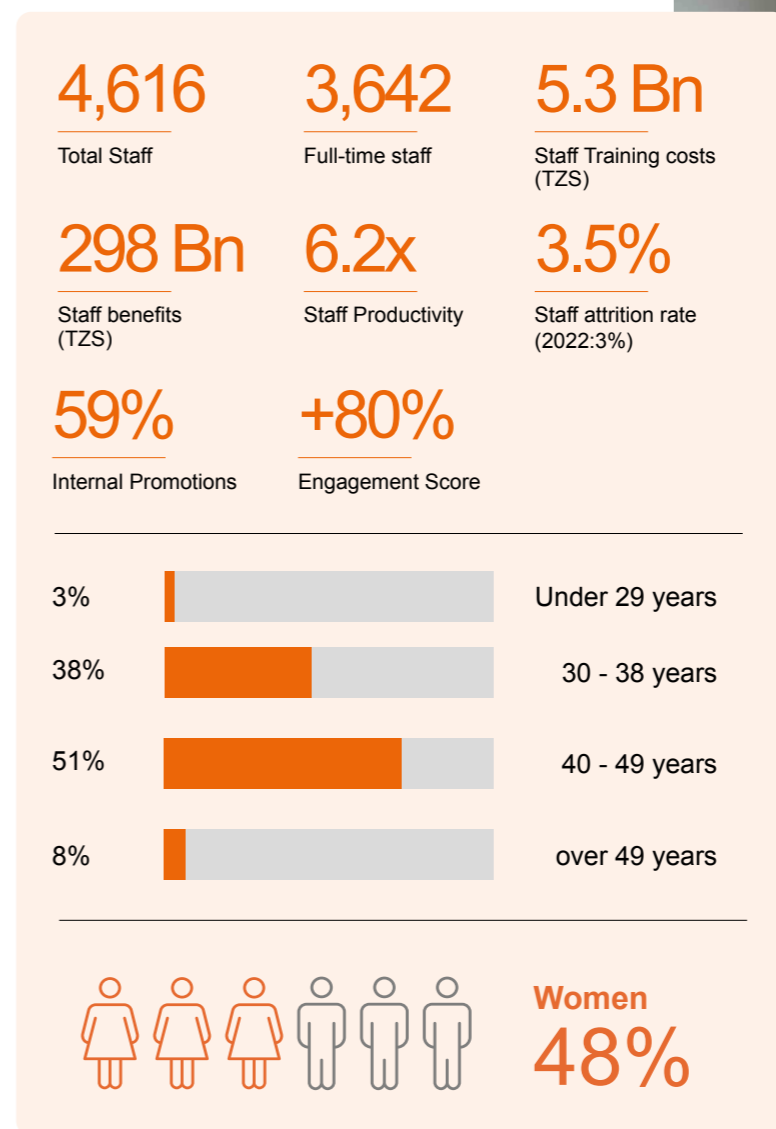
Collective Bargaining

As of 2023, NMB Bank has two staff unions, TUICO and FIBUCA, each representing 14% of the unionized staff. The existing framework includes collective bargaining agreements, allowing for constructive dialogue and meetings initiated by either the unions or the organization itself. The goal is to establish regular meetings to enhance staff welfare. The Bank also facilitates employee engagement through worker welfare forums dubbed SIKIKA, chaired by the Chief Executive Officer (CEO).

HR Practices

HR processes were manual, including performance tracking, which has been automated by implementing a balanced scorecard system. This has supported streamlining operations and enhanced staff engagement by enabling employees

to track their performance within the system. Meetings and goal setting are automated, fostering better communication and collaboration between line management, staff, and senior management. The HR department has successfully automated 76 processes, significantly reducing the manual workload. Additionally, the automation of staff loans has resulted in a streamlined application process, reducing approval times from two weeks to less than 24 hours.



Learning and development

Why it matters

To help individual staff acquire knowledge, skills, and behaviors that will allow them to carry out their current duties with maximum effectiveness and thereby contribute to the achievement of agreed-upon objectives.

Our approach and progress

An assessment of individuals' skills will naturally identify their need for training and development related to the duties that they are to perform

In addition, the need for further staff development can be detected through meticulous skills assessments, reflective feedback mechanisms, and thorough performance reviews. This structured appraisal ensures that training initiatives are directly linked to operational demands and industry standards in the banking sector.

20 

Average training hours per employee in 2023

TZS 5.38 Bn 

Spent in training our people
(2022: TZS 4.99 Bn)

Employee training

NMB Bank is fully committed to promoting an environment of structured and systematic training, learning, and continuing professional development of all its employees to enable them to perform their duties effectively and efficiently.

Employee E&S risk training and awareness programmes

As part of our commitment to promoting awareness and ensuring the effective implementation of E&S risk management procedures, NMB Bank conducts regular training sessions for staff members. Various E&S training programs are delivered through our internal e-learning platform and interactive virtual training sessions.

These training initiatives develop skills in sustainability and cover general environmental and social risk awareness, NMB Bank's E&S risk management process, and pertinent ESG guidelines, standards, and principles.

Key training programs in 2023 included:

- Phase II: ESG and Sustainability Executive and Board Training
- Activation Training: An Introduction for Bankers to Climate Finance
- Climate Risks Management (Online Training)
- E&S Risks Assessment and Due diligence
- Sustainable Financing for Frontliners or Relationship Managers
- GRI Training and Certification

Performance management

At NMB bank we place great emphasis on performance management and in the recognition and rewarding of exceptional performance, as these are essential instruments for achieving outstanding outcomes. NMB Bank is committed to operating with a high-performance culture.

To support this commitment, we've established an exhaustive performance management system that integrates strategic key performance indicators (KPIs) with a solid framework geared toward meeting our staff members' diverse requirements.

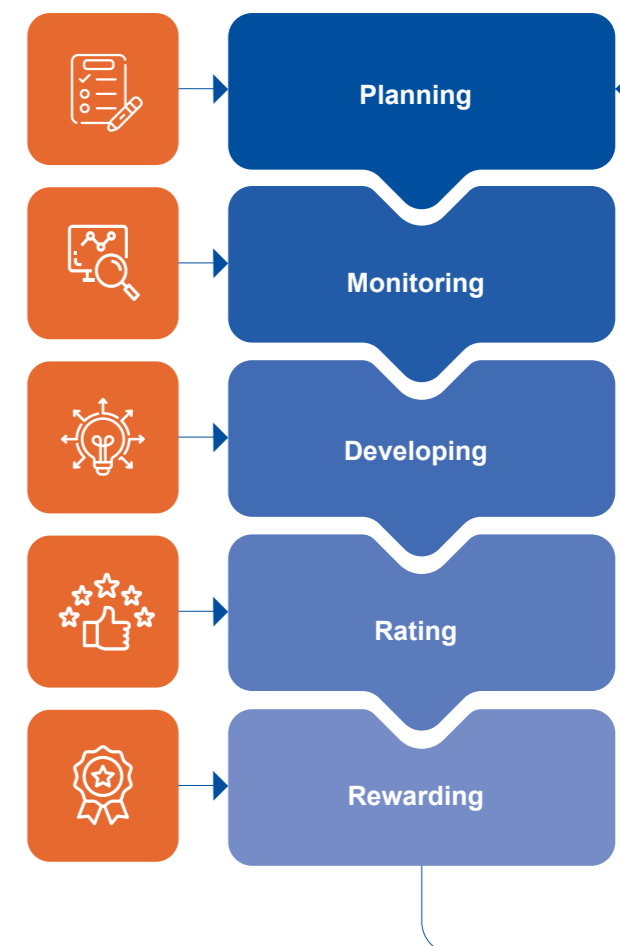
During 2023, our efforts were concentrated on refining the performance management procedures to provide a more fulfilling experience for employees. This involved improving the process for setting objectives/KPIs and amplifying the appraisal process's efficiency.

Besides defining KPIs and goals at the onset of each year, every employee is tasked with crafting a personalized development plan corresponding to specific performance metrics. The development plan offers a snapshot of individual strengths and areas for growth, both from a behavioral and technical standpoint. These plans are meticulously crafted to mirror specific job roles, responsibilities, and ambitions while also addressing the necessities of each department and individual team member.

Our performance framework isn't just about formal evaluations during quarter-end or at year-end; it's structured to promote a culture of ongoing feedback and persistent support for all members of staff across all seasons of the year.

The Bank's inclusive performance management stems from the bottom-up approach as evidenced by 97% of employees who actively participated in performance appraisal, fostering a culture of continuous improvement and accountability.

Performance management process



Equality, Diversity, Inclusion and Non-discriminatory

Why it matters

Our success and competitiveness is built on our ability to embrace diversity and we believe that everyone should feel valued for their contributions.

Our approach

As the leading financial institution in Tanzania, we strive to create an inclusive culture in which difference is recognized and valued. We are committed to a workplace where everyone is valued, differences are respected and celebrated, and opportunity and equitable treatment are afforded to all.

Our commitment to non-discriminatory and Harassment practices:

NMB Bank Plc is committed to providing a safe environment for all employees, free from discrimination on any ground and from harassment at work. The Bank operates a zero-tolerance policy for any form of harassment in the workplace, treats all incidents seriously, and promptly investigates all allegations of harassment.

100% 

Employee grievances filed in were addressed
Internal complaints lodged were 7
(2022: 8)



Gender diversity

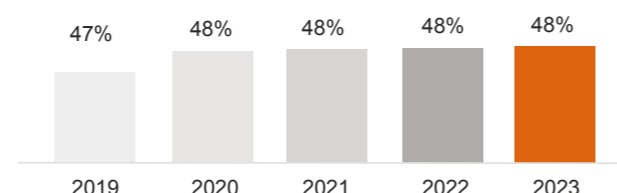
NMB's approach to sustainability is closely aligned with the United Nations Sustainable Development Goals, particularly those pertaining to gender equality.

The bank's workforce comprises 3,642 full-time employees, with women making up 48%. Furthermore, Women occupy 32% of the leadership roles and lead departments bank-wide by the same margin of 30%.

32% 

Women in Leadership

Percentage of female employees in the workforce



0.74 

Pay Parity: Ratio of median male to median female salary
(2022: 0.73)

Management and Board diversity

The Board and Management are earnestly devoted to fostering an environment of gender balance and ensuring equitable opportunities for all employees. As of December 31, 2023, 31% of top Executive management positions were held by women.

Parental leave

In adherence to legal standards, maternity leave, initially mandated at 84 days, is extended to 90 days at NMB Bank, and in the case of twins, maternity leave is further extended to 110 days.

Notably, returning from maternity leave does not result in any changes, and the leave is paid out within a three-year cycle. NMB Bank goes beyond the legal requirement of 3 days for paternity leave and provides 7 days of paid leave.

The Bank's commitment to supporting working parents extends to the physical workplace. The head office and the NMB Academy are already equipped with dedicated breastfeeding rooms, and the bank plans to expand these facilities to all 231 branches.

100% 

Return to work rate
(2022:100%)

Maternity leave

- 90 calendar days with full pay
- 110 calendar days with pay for births of more than one child at the same time.
- 42 calendar days with pay for out of cycle (i.e. before the expiry of maternity leave cycle)

Paternity leave

- 7 calendar days of paternity leave with full pay Sick leave
- 180 calendar days (90 days with full pay and other 90 days with half pay, within a three-year leave cycle).

Compassionate leave

- 14 calendar days with full pay (in the event of bereavement or serious sickness of a family or near relative namely spouse, child, mother, father, brother, sister, father, or mother-in-law)

Examination leave

- 14 calendar days with full pay within a year.

NMB Balance

To further champion Gender Diversity, Inclusion, and Equity, we launched NMB Women Arise, a beacon calling women to seek top management positions. This initiative did more than inspire; it increased the number of women leaders to 32%, with an overall gender representation of 52% male and 48% female. In 2020, we expanded this initiative and renamed it "NMB Balance" to broadly include men and youth.

NMB balance (Internal Diversity and Inclusion forum) consists of representation from Board, and EXCO department with a special focus on women, men, and youth empowerment through several programs including ATE Female Future, Women CEOs Roundtable, and Women in Management (WIMA).



Community Investments

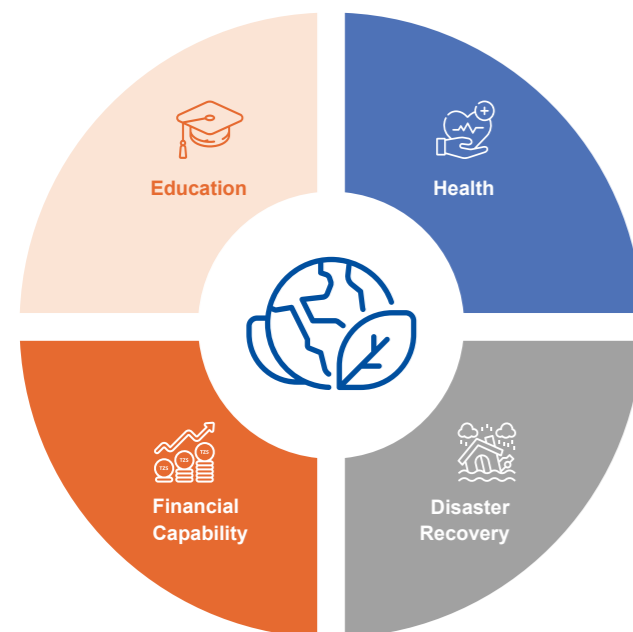
Why it matters

We strive to sustainably transform lives and drive the socio-economic development of the communities in which we operate by executing a range of social impact initiatives through our Corporate Social Investment arm, which serves as our corporate philanthropy vehicle.

Our approach

To holistically address the challenges faced by the communities in which we operate, we have committed to allocating one percent of our profit after tax for Corporate Social Investments.

Our CSI Pillars



Education

The Bank spent over TZS 600 million to support the construction of Makunduchi Nursery School, the first nursery school in the area. The school project comprises five classrooms, a playground, a kitchen, and a canteen.

139 computers were donated to 25 schools to enhance National ICT capacities for youth.

We donated 15,500 desks to 247 schools, provided roofing materials to 75 schools, and gave 1,480 double-decker beds to 34 schools. These initiatives benefited more than 40,000 students.

Financial literacy

Through our various programs to build financial literacy capacity among vulnerable groups, such as the Wajibu School Program, NMB Business Clubs, NMB Career Expo, and Youth Proposition “Go na NMB,” we reached over 513,000 youth and adults.

Health

The Bank continued to prioritise improving maternal health by providing hospital medical equipment. In 2023, we successfully completed the renovation of the Maternity ward at Muhimbili National Hospital and signed a three-year agreement to renovate and sustain the entire maternity block, further demonstrating our commitment to improving maternal health.

Furthermore, we supported 55 Public health institutions with medical types of equipment which will benefit over 300,000 patients.

Disaster Recovery

In 2023, the Bank spent over TZS 70 million supporting schools affected by the adverse effects of heavy rainfall and natural disasters, providing

them with roofing materials for affected students.

It also offered emergency support relief to people affected by floods and landslides in Hanang (Manyara) and Kilosa (Morogoro).

Supporting Persons with Disability

During the year, we spent TZS 24.3 million on purchasing assistive devices for Persons with Disabilities, impacting the lives of over 300 individuals. Various items supported include wheelchairs, sunscreens, white canes, and skin lotion.

NMB Nuru Yangu Scholarship and Mentorship Program

Following the completion of the selection process for the Scholarship and Mentorship Program, the first cohort of beneficiaries was identified, comprising 64 registered students. The program is in the process of selecting its second cohort of students, expected to comprise 65 students, bringing the total number of sponsored students to 130. Currently, the onboarding process of the scholarship awardees is in its final stages, with approximately TZS 286 million being spent to cover tuition, accommodation, and allowance costs.

4.29 Bn

Amount dedicated for CSI in 2023



Prevention of Financial crime, Anti-bribery and Corruption

Why it matters

At NMB Bank, the fight against financial crimes, including fraud, corruption, bribery, money laundering, and terrorism financing, is considered a critical challenge to confront within the global economic landscape. To combat this, NMB Bank enforces a strict policy of zero tolerance for any form of fraud and corruption. Every employee is required to embody honesty and integrity while protecting the bank's resources for which they hold responsibility. NMB is committed to protecting all revenue, expenditures, and assets from any attempt to gain illegal financial or other benefits.

Our approach and progress

Consistently upholding superior ethical standards and adherence to all relevant laws and regulations remain cornerstones of the NMB bank ethos. The bank champions measures to prevent all types of financial wrongdoing, which includes but are not limited to fraud, money laundering, terrorist financing, bribery and corruption, a deliberate breach of sanctions, and proliferation financing, and acknowledges that risk management is a crucial cornerstone for our operations.

Consequently, the implementation and perpetuation of a comprehensive financial crime risk management structure are recognized as key factors for our prosperity.

In alignment with Best Practices at NMB Bank, the Forensic Team takes charge of daily monitoring, investigation, and resolution efforts regarding fraudulent activities within the bank. This dedicated team is governed by the Financial Crime Compliance Department.

Led by the Head of Financial Crime Compliance—who reports directly to the Chief Compliance Officer—this individual bears full accountability for ensuring that the Forensic Team operates effectively and correctly.

In accordance with best practices emphasizing transparency and governance in protocol, reporting lines are structured so that critical insights from case analysis and departmental activity are conveyed frequently to both the management team and the Board's Audit, Risk, and Compliance Committee through systematic presentations during bimonthly sessions at the Anti-Fraud Roundtable Committee (AFRC).

Anti-Money Laundering Policy

The policy establishes a general framework for combating money laundering, financing terrorism, and proliferation financing at NMB Bank. Adherence to this policy is mandatory for all NMB employees, Agents, and Vendors to fully comply with the AML Legal Framework in the United Republic of Tanzania.

To reinforce our strong commitment to Anti-Money Laundering (AML) strategies, Counter-Terrorism Financing (CFT), and adherence to Sanctions lists, NMB Bank has established a Bank Know Your Customer (KYC) and AML/CFT aimed at ensuring:

- Comprehensive training to all employees regarding our baseline AML/CFT preventative measures
- Effective management and minimization of any potential AML/CFT risks
- Explicit communication regarding activities not permitted within the bank's defined risk tolerance.

At least annually, the bank conducts money laundering, terrorist financing, and proliferation financing risk assessment, as per the Financial Intelligence Unit (FIU) 2021 Guidelines. In carrying out money laundering, terrorist financing, and proliferation financing risk assessment, the bank determines the extent of customer due diligence

measures on a risk sensitivity basis and take appropriate steps to assess and understand the risks of money laundering, terrorist financing, and proliferation financing.

All employees must comply with this policy in their interactions with customers, team members, vendors, regulators, shareholders, other investors, and the communities we serve.

Sanction policy

At NMB, we have a robust sanctions policy in place to ensure complete compliance with all relevant sanctions laws, regulations, embargoes, and export controls. Our steadfast commitment to financial crime risk management guarantees that NMB adheres to the following principles:

- avoid any involvement in transactions that may place the Bank, as well as our clients, employees, and business partners at risk of sanctions.
- We steer clear of all business dealings intentionally structured or aimed at circumventing sanctions laws.
- We ensure none of our actions contribute to the spread of materials used for developing chemical, biological, or nuclear weaponry.

NMB Bank requires unwavering adherence to these high standards of sanctions compliance from Management and all staff members to Uphold legal compliance with sanctions regulations, thus, shielding the Bank from potential criminal consequences and Preventing the misuse of

4,000 + 

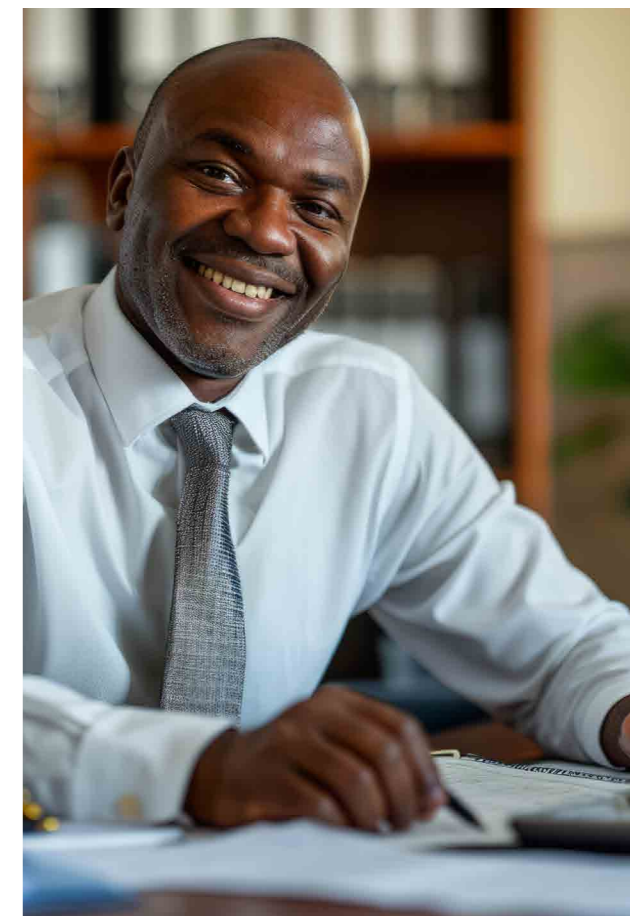
Number of staff trained on AML

NMB's offerings for organized crime, terrorism, and proliferation activities.

NMB Bank has seen a marked improvement in operational efficiency and efficacy with the implementation of a risk-based strategy and the enhancement of transaction surveillance processes. These improvements have fortified the assessment and handling of alerts, as well as bolstered the conversion ratios for Suspicious Transaction Reports.

Compliances

NMB Bank complied with laws and regulations in the period under review. There were no significant instances of non-compliance.



Compliance, Code of Conduct and Customer Privacy

Code of conduct

The Bank periodically reviews its Board-approved Conduct Compliance Framework and related policies, including its Code of Conduct. The Bank takes a zero-tolerance approach to behaviour that breaches its Code of Conduct, Conflict of Interest Policy, Anti-bribery and Corruption Policy, and Insider Trading Policy.

The Code of Conduct sets out fundamental principles for the ethical conduct of all staff within NMB. The Code aspires to guide staff in practicing the highest standards of ethics and integrity.

Employees must confirm they have read and understood the Bank's Code of Conduct when they commence employment. Any violations may result in disciplinary action, including termination of employment.

The Bank also has a Code Of Conduct for Board Members that covers the relevant policies and procedures that Directors must follow.

4,048



Number of staff trained on code of Conduct

Human rights

NMB Bank is committed to upholding human rights for all people as stipulated in the Constitution of the United Republic of Tanzania and the United Nations Universal Declaration on Human Rights.

NMB complies fully with the Tanzania labour laws and actively protects the rights of its employees to be free from any form of injustice, discrimination, and harassment based on race, gender, nationality, disability, race, religion or ethnic origin.

Whistleblowing policy

The NMB whistleblowing program provides channels for easy reporting and ensures the confidentiality and anonymity of the whistle-blowers. The whistleblowing reporting mechanism is set up internally and through the engagement of an external, independent party whose purpose is to provide further assurances of confidentiality and anonymity. These channels are simultaneously available to both internal and external parties. It is up to NMB persons to choose the most appropriate channel for reporting an incident.

Customer privacy and information security

We are responsible for ensuring the privacy and security of our customers' employees' personal and financial data. The bank employs robust tech-related mechanisms to safeguard against data privacy breaches. This includes:

- Cutting-edge technologies: prioritise protecting sensitive information through data encryption and loss prevention measures.
- Access controls and user authentication: These are implemented to guarantee that only authorized personnel can access customer data, minimizing the risk of unauthorized breaches.
- Audit and compliance checks: to ensure strict adherence to data privacy regulations, including the payment card industry data security standard (PCI DSS) and Personal Identification Number (PIN) regulations.

Tax Transparency

Our approach to taxation underlines ethical, responsible, and transparent behavior, aligning with our commitment to sustainable growth.

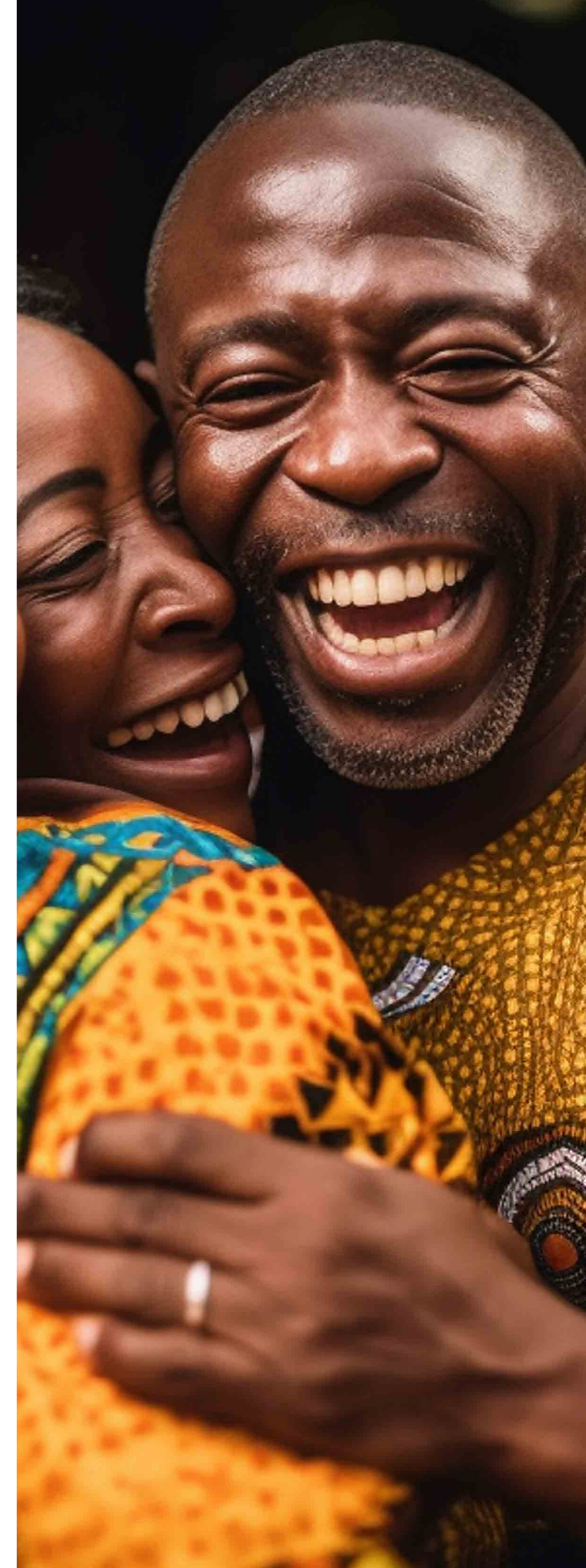
Over the years, the Bank's tax payments to the government have consistently increased, demonstrating our commitment to compliance with all local legislation. We continue reinforcing existing controls, processes, and reporting to ensure adherence to ethical tax practices.

In 2023, the Tanzania Revenue Authority proudly recognized NMB Bank as the largest taxpayer in the country, the most compliant taxpayer, and the largest contributor in the Financial Institutions category, solidifying our position as the market leader. As the largest taxpayer, our substantial contributions help generate public revenue and foster local and community development.

555.4 Bn



Tax Contributions (2022: TZS 467.3)



Sustainable Consumption

NMB Bank is committed to promoting sustainable practices and addressing energy consumption both within and outside the workplace. To achieve this, we continuously improve our sustainable consumption practices, including water, paper, fuel, and waste management.

Water Use

Water is a precious resource, and at NMB Bank, we understand the importance of responsible water consumption. We have implemented various sustainable initiatives to reduce water usage by 20%. One of these initiatives involved installing sensor taps at our head office to target and reduce water usage.

However, despite our efforts, municipal water usage increased by 34% in 2023.

34% 

Reduction in water usage

Paper Use

Given the nature of our business, paper is a significant material input in our day-to-day operations. However, we are actively working towards reducing our paper usage by implementing strategies such as digitizing applicable business processes.

Since 2021, our branch network, audit, finance, and HR departments have undertaken significant initiatives to automate processes, resulting in an impressive 80% reduction in paper usage. This demonstrates our commitment to sustainable consumption and our efforts to minimize environmental impact.

80% 

Reduction in paper usage

LED retrofitting

In 2022, the Bank fully implemented LED lighting at its head office and NMB Academy facility. The following year, in 2023, NMB Bank achieved a significant reduction of 14% in electricity consumption, thanks to the collaborative efforts in adopting LED lighting at the branch level. This successful transition has now been expanded to encompass 175 branches, marking an increase from the previous 150 branches in 2022.

14% 

Electrical energy consumption reduction

CNG retrofitting

We are converting our vehicle fleet to Compressed Natural Gas (CNG) and expect a 30% reduction in related operational costs. Embarking on a commitment to sustainable and efficient practices, our headquarters in Dar es Salaam is currently undergoing the EDGE (Excellence in Design for Greater Efficiencies) certification process. 8 vehicles were converted to CNG in 2023 compared to 2 motor vehicles in 2022. CNG is recognized for its environmentally friendly attributes, emitting lower pollution than traditional gasoline or diesel. Additionally, it offers a potentially more cost-effective alternative to fueling a vehicle fleet.

8 

Number of Motor Vehicles converted to use CNG

Driving a sustainable supply chain

In addressing considerations related to supply chain and partners, NMB Bank strongly emphasizes risk management. We conduct assessments of third-party risks and annually audit procurement practices to ensure transparency and compliance. While the bank has a robust business continuity management framework, we acknowledge the importance of conducting Environmental and Social due diligence on suppliers and recognize the need for improvement in incorporating ESG considerations during vetting procedures.

Looking ahead, NMB Bank is committed to enhancing the approach to supply chain and partner engagement by integrating ESG elements into our supplier due diligence processes. In 2024, the Bank will enforce a new procurement policy that will mandate ESG screening on all contracts, including the evaluation of human rights-related issues.



Sustainable Financing



NMB is dedicated to offering comprehensive and creative financial services that support sustainable economic development and decrease greenhouse gas emissions.



TZS

1,512 Bn

Total Asset

TZS

641 Bn

Total Liabilities

TZS

74 Bn

Bonds Issue Jasiri Bond

TZS

400 Bn

Jamii Bond

Sustainable Finance

Why it matters

Sustainable finance is key in promoting the transition to a carbon-neutral and sustainable economy. As a duty to society and shareholders, we support our customers' transition to more sustainable business models by supporting projects prioritizing resource efficiency and healthy ecosystems and promoting the circular economy. Through the integration of environmental, social, and governance factors into our credit decision, we believe we are able to play a more purposeful role in Tanzania's transition to a low-carbon future and contribute to a more resilient economic and social development.

Our approach

NMB Bank is on a significant journey to integrate sustainability into all functions and business areas. Promoting businesses and innovations with sustainability considerations as a core facet of our organization's purpose and focus is a priority in our investment and lending policies and guidelines. The Bank's Sustainable Financing Framework, approved in 2023, represents a further step in our effort to incorporate environmental and social considerations in our operations.

Our commitment

NMB pledges to increase the availability and accessibility of Sustainable/Green Finance to the Bank's retail and wholesale customers' impact commitments; we have put in place a comprehensive and specific set of guidelines referred to as part of our sustainability risk management process. The Policies and Guidelines, inter alia, guide us when making end-to-end environment and social impact risk assessments as part of the Bank's lending business, from the point of credit origination to business appraisal processes, approvals, and monitoring stages.

Introducing NMB's Sustainable Finance Framework

This framework, which is now in operation, aims to provide a foundation under which the Bank can execute and, where applicable, list green, social, and/or sustainable liabilities (sustainable instruments), including, but not limited to, bonds, loans, and deposits. NMB's sustainable instruments allow investors to invest in assets that create positive environmental and social impact in Tanzania.

The Sustainable Financing Framework establishes the groundwork for NMB Bank to execute and potentially list green, social, and/or sustainable liabilities, encompassing instruments such as bonds, loans,

and deposits. NMB's suite of sustainable instruments provides investors with a unique opportunity to invest in assets that generate positive environmental and social impact in Tanzania.

The framework is aligned with international best practices and guidance issued by the International Capital Markets Association (ICMA) and Loan Markets Association (LMA), namely; Green Bond Principles (GBP) 2021, Social Bond Principles (SBP) 2023,

Sustainability Bond Guidelines (SBG) 2021, Green Loan Principles (GLP) 2023, Social Loan Principles (SLP) 2023.

Under this framework, NMB may issue 3 types of instruments:

- Green bonds/loans, etc., where an amount equal to the net proceeds will be exclusively used to finance and/or refinance eligible loans falling within the Eligible Green criteria,
- Social bonds/loans, etc., where an amount equal to the net proceeds will be exclusively used to finance and/or refinance eligible loans falling within the Eligible Social criteria,
- Sustainability bonds/loans, etc., where an amount equal to the net proceeds will be exclusively used to finance and/or refinance eligible loans falling within Eligible Green and Social criteria.

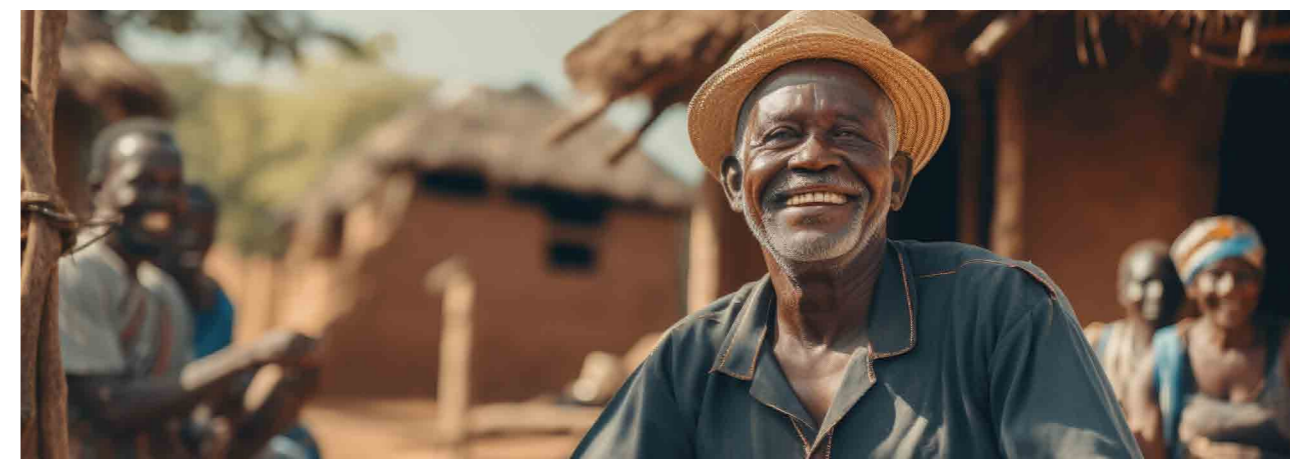
In addition to the Sustainable Financing Framework, NMB also has a Social Bond Framework, used to issue Social bonds to finance Access to Essential Services, Employment Generation, Socio-Economic Empowerment - Gender Inclusion, Food Security, and Sustainable Food Systems.

To ensure the credibility and desired impact would be achieved through a Social Bond Issuance and Sustainable Bond Issuance, Sustainalytics, a leading ESG research and rating provider evaluated our social and sustainable financing frameworks. The second-party opinion affirmed that both Frameworks are credible and impactful and align with the four core components of the ICMA Principles, covering the use of proceeds, project evaluation, management of proceeds, and reporting.

Overview of NMB Bank's sustainable finance and liability portfolio

Sustainable finance portfolio category (TZS Bn)	2022-2023
Lending	1,512
Facilitation	0.0
Total sustainable financing - assets	1,512

Total liabilities (TZS Bn)	2022-2023
Social bonds issued	74
Sustainable Bond Issue	400
Green borrowings	167
Total Sustainable financing - liabilities	641



Status Report Continued

Initiatives/ Programme	Additionality and Impact
Signed financing contracts/ agreements with EIB worth EUR 100M for gender and blue facilities in February 2023	<p>The aim is to enhance access to finance for SMEs, Midcaps, and Co-operatives across various eligible sectors, focusing on the blue economy and businesses managed or owned by women, thus promoting gender equality and women’s economic empowerment.</p> <ul style="list-style-type: none">On-lending activities contribute to improving access to credit to mostly SMEs, especially in the two thematic sectors that suffer from constrained access to longer-term financing.Therefore, through issued loans to eligible private sector businesses, NMB will address the market challenges of asymmetric information that SMEs are confronted with when applying for finance, as well as environmental and climate externalities associated with the blue economy, for instance, pollution reduction and protection of maritime life.Furthermore, the proceeds address gender gaps in finance SMEs and support women’s inclusion and position in supply chains, including the blue economy.
Signed a senior loan of up to US\$100 million with a tenor of 2-year renewable for one more year with International Finance Corporation (IFC) under the COVID-19 Emergency Response WCS Envelope (WCS Envelope)	<p>The loan helped the Bank meet the COVID-19-related working capital and trade-related needs of its clients, all of which are small and medium enterprises (SMEs).</p> <p>The loan provides additional liquidity support amidst prevailing global economic headwinds to meet the post-COVID-19 related working capital and trade-related needs of NMB clients, many of which are SMEs..</p> <p>Working capital and trade finance loans to SMEs expedited post-crisis recovery.</p>

Sustainable Finance

NMB Jamii Bond

Term Note Programme, NMB Bank issued the first tranche dubbed Jamii Bond. This multi-currency sustainability bond has a duration of 3 years and has been issued in both Tanzanian Shillings (TZS) and United States Dollars (USD), in alignment with the NMB Bank Sustainable Financing Framework. The bond adheres to international best practices and guidance from the International Capital Markets Association (ICMA).

The proceeds from the bond are dedicated to supporting environmental and social projects, including initiatives in renewable energy, sustainable water and wastewater management, green buildings, food security, and employment generation. Open to both Retail and Institutional Investors, the Jamii Bond welcomes participation from NMB and non-NMB customers.

The bond successfully raised TZS 212.9 billion and USD 73 Million, setting a record as the largest Sustainability Bond ever issued in East Africa and exemplifying the growing trend towards the deployment of sustainable finance.

400 Bn 

Amount raised (TZS)

3x 

Subscription rate



Jasiri Bond Impact Report 2023

In 2022, NMB Bank marked a significant milestone in sustainable finance by introducing the Jasiri Gender Bond. For the two years it has been active, this Gender bond has facilitated the disbursement of over 6,000 loans worth TZS 131.6B to Micro, Small, and Medium Enterprises (MSMEs) and women-led businesses.

In the first year of its issuance, Jasiri Bond had disbursed TZS 74.3B, which was 100% of the amount initially raised from the bond. In the second year, 2023, a total of TZS 57.3B was refinanced from the matured loans.

The success of the Jasiri Gender Bond was acknowledged and we won Sustainable Bond of the Year 2022 at the Global SME Finance awards.

Our women-centric initiative, Jasiri Women, within the retail sector, provides women-friendly accounts along with vital supplementary programs that empower women in business. The majority of small and medium businesses in Tanzania are managed by women, and this bond facilitates the sustained growth and success of these businesses.

Our support includes:

- financial literacy training,
- business club memberships,
- access to loan guarantees, and
- insurance.

Reach and Bond Allocation

The Jasiri Gender Bond targets MSMEs (Micro Small Medium Enterprises) owned, managed, or staffed by women or those that provide products or services tailored for women. The Bank distinguishes between MSEs and SMEs based on loan size. Loans less than TZS 75 million (USD 30k) are classified as MSEs, and those between TZS 75 million and TZS 7.5 billion (USD 31k—3m) are classified as SMEs. The allocation for MSEs was made primarily to sole proprietors.



For SMEs, funds were allocated to women-owned (at least 51%) and/or controlled enterprises or to businesses with at least 30% women within the workforce. This clear delineation ensures that Jasiri funds are directed toward enterprises where a women's involvement is substantial, promoting gender diversity and inclusivity in business.

For the second year, the NMB Jasiri Bond continued to accelerate women-led businesses and elevate the role of women in the economy.

#1

Bank in sub-Saharan Africa to list its gender bond in the Luxembourg Stock Exchange

6,283

Loans disbursed to women led MSMEs in the last two years

70%

of loans guaranteed to women entrepreneurs through partnership with Africa Guarantee Fund

6,110

MSEs Loans in the last 2 years

387

Women's businesses in agriculture were financed between 2022 and 2023

97%

of 6283 jasiri loans were micro-loans (MSEs)

50%

of financed SMEs employ more than 30% of female staff

88%

of the SMEs financed are fully owned by women

To date, 75% of the TZS 131.64 billion went to MSEs, with the remaining 25% disbursed to SMEs. 97% of the 6,283 loans have been allocated to female owned MSEs, demonstrating the sector's significant impact on job creation and economic development. Despite the challenges MSEs face in relation to collateral, the Bond initiative has enhanced access to financial markets, bolstering various sectors such as infrastructure, agriculture, health, and education.

173

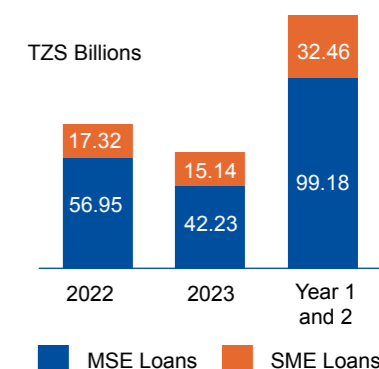
SME loans in the last 2 years

101

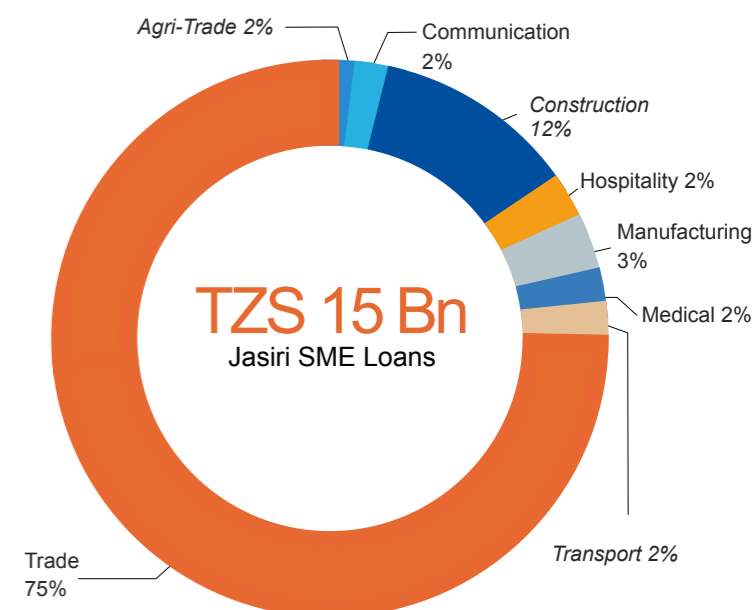
Total Jasiri loans disbursed to businesses employing atleast 30% Women.

Value of Jasiri loans by MSE and SME

TZS Billions



Distribution of SME Jasiri loans by Sector



The most significant portion of proceeds disbursed to SMEs was allocated to trade activities (75%) and construction (12%). The balance was allocated across various sectors including manufacturing and hospitality.

By transforming lives and job creation, the Jasiri Gender Bond has significantly advanced the objectives of the Bank's social bond framework, aligning with a majority of the SDGs. The tangible outcomes of these initiatives are illustrated in the following impact stories:

Empowering Women through Fishing



Amina Hamidu Mwakai

Location:
Manga Pwani, Zanzibar
Business:
Small scale fishing

In 2022, Amina Hamidu Mwakai secured a Jasiri loan that enabled her to purchase two small fishing boats, boosting her business significantly. Amina's fishing journey began in the Tanga Region, where she developed an interest and sought guidance from a relative already involved in the industry. She fully immersed herself in the business, initially operating in Tanga before moving her base to Zanzibar. Amina now runs her operations from Zanzibar, employing a team of six individuals, including two women.

Once her boats return with the day's catch, Amina and her team process the sardines by cleaning, boiling, and sun-drying them for storage and sale. Amina eagerly awaits her loyal customers who purchase the dried fish in bulk. With her thriving business, Amina has achieved financial stability and fulfilled her dream of constructing a new home for her family.

Supporting communities through business growth



Lucas Kavishe

Location:
Kariakoo, Dar es Salaam
Business:
Cosmetics and Salon equipment

Mr. Kavishe, an entrepreneur, owns a store in the Kariakoo area that specializes in selling cosmetics and salon equipment. In addition to his main store, he also operates small outlet shops in various locations.

15 years ago, he ventured into the cereal and cosmetics business before deciding to focus solely on cosmetics. Starting with a small shop, he soon realized the need to establish a relationship with a bank to facilitate growth, leading him to NMB Bank.

By accessing loans from NMB, he was able to expand his business significantly. Subsequently, he obtained Jasiri funds due to his high female employment rate (over 33%) and products that cater to women's needs. With around 30 employees, 18 of whom are female, Mr. Kavishe takes pride in serving women and believes that his products are meeting their needs effectively.

Nourishing communities through poultry



Anna Lusinde

Location:
Mbagala, Dar es Salaam
Business:
Chicken breeding

Anna Lusinde has dedicated herself to the chicken breeding business for many years, despite the challenges she faces as a widow, mother, and working professional. One of her biggest hurdles was dealing with diseases among her flock. Realizing the need for additional capital to address these issues, Anna turned to NMB Bank for financial assistance.

Securing a loan from NMB Bank proved to be a game-changer for Anna. She decided to invest the funds in producing her own chicken feed to improve the nutritional quality of her poultry. This strategic move not only enhanced the health of her flock but also allowed her to sell surplus feed, creating an additional source of income. Additionally, the Jasiri loan enabled her to expand her business by purchasing a generator, ensuring uninterrupted power supply for her incubators during frequent power outages.

Anna's enterprise has flourished with the support of one employee and her children. What started as a simple chicken breeding venture has become a multifaceted operation. In addition to breeding chickens, Anna now sells chicken feed and operates incubators with a monthly capacity of up to 5,000 eggs.

Anna's journey exemplifies the transformative power of strategic financial support and bridging the gender financing gap.

Success story

Jasiri Program spotlighted at gender awareness events

NMB was one of the speakers on this forum and shared its experience in the issuance of Gender Bonds in Africa.

This forum, hosted by FSD Africa, brings together stakeholders to build stakeholder capacity on green and gender bond requirements and needs. The event explores Zambia's climate financing needs and potential adaptation projects and facilitates deep dives into the steps needed to make green and gender bonds key capital market instruments that will help the country meet climate and gender equality outcomes from target investments.



GENDER BONDS IMPACT ON SME FINANCE: FEMININE HYGIENE PRODUCT IMPORTERS GROW WITH JASIRI LOANS (STORY BY FSD Africa)

According to FSD Africa (2023), Selina Godfrey Letara's entrepreneurial success is a shining example of how access to credit and diligence can lead to transformation. High Quality Tanzania, formerly NN General Supplies, started as a small home-based business and has now flourished into a thriving feminine hygiene product trading powerhouse, thanks to strategic assistance from Jasiri loans.

Selina's transformation journey began with a trip to Singapore and China, where she discovered top-notch sanitary pads unavailable in Tanzania. Despite facing challenges in selling and distributing the initial 300 cartons she imported, her persistence eventually paid off, resulting in significant growth.

The pivotal role played by Jasiri loans in the evolution of High Quality Tanzania cannot be overstated. These loans enabled Selina to boost import volumes and expand her product range. With Jasiri's backing, the business saw a turnover exceeding TZS 10 billion (\$3.9 million) in 2023. Quickly available funds within hours of application were crucial for meeting highly needed working capital demands.

High Quality Tanzania's reach extended to Kenya, Dubai, Burundi, and Congo, with plans for further expansion into Zambia and the US. Selina's vision is to provide quality feminine hygiene products, empowering women and enhancing access to essential solutions. Her success story inspires entrepreneurs, particularly women, underscoring the significance of perseverance and strategic financial backing in bridging market gaps and positively impacting the community.

Source: FSD Africa (2024) Gender Bonds' Impact on SME Finance: Feminine Hygiene Product Importers Grow with Jasiri Loans. Available at: <https://fsdafrica.org/impact-stories/gender-bonds-impact-on-sme-finance-feminine-hygiene-product-importers-grow-with-jasiri-loans/> (Accessed: 1 April 2024)

The Year Ahead

Looking ahead, NMB Bank will continue to reinforce the achievements of the Jasiri proposition through our four-pillar approach.

This strategy involves expanding outreach, introducing innovative services tailored for the women's market, scaling financial literacy, and strategically growing market share to create a sustainable impact aligned with the SDGs. The Bank is committed to pushing boundaries in the realms of new product design, pricing strategies, and capacity building as well as applying incentives and rewards to recognise impactful initiatives and best practices.



Outreach

Via distribution channels - focus on alternative channels.



Promote

Usage through Product and Services - enhancement and development.



Impact

Through scaling up of financial literacy for women customers.



Gain

Competitive advantage over other players in the market.



Financial Inclusion

NMB remains committed to promoting financial inclusion by utilizing technology and our extensive network to reach those without access to banking services across the entire country.



Jobs Impacted
100,000
Jobs sustained through broader economic impact

Women Customer
35%
Number of women in our customer base

BBI Program
TZS
4.2 Bn

Loans to support the Build Better Tanzania (BBT) program

Customer Satisfaction Score
87%
2022: 87%

Financial Inclusion

Why it matters

Efforts to promote and facilitate financial literacy, inclusiveness, and accessibility to financial services for the underserved or unserved individuals and businesses, alleviating financial hardships and thus expanding access to formal banking services for all.

Our approach and progress

The Bank has continued to innovative its products and services to meet its customers and clients and savings, transactional and financing needs in urban and rural areas.

1.2 Mn+

New customers in 2023

Our commitment

- Increasing financial services access through alternative digital channels enabling the unbanked population to conveniently be serviced.
- Offering financial literacy and awareness through the Bank's Business clubs and other customer programs.
- Develop financial solutions catering to vulnerable community groups such as women and youth.

Customers

Customer engagement is a key focus for NMB Bank strives to ensure our customers adopt sustainable practices and contribute to our broader objectives.

To complement our existing screening practices during customer onboarding, we are enhancing our levels of scrutiny and counterchecking of

information provided. A key aspect of our strategy involves customer education to enhance their understanding of sustainability matters. This typically includes:

- 1 Why do I need to be assessed?
- 2 What is sustainable operations?
- 3 What are sustainable matters?
- 4 How can the bank support me?

Women and Youth Customers

NMB Bank is committed to closing the gender gap through financial inclusion and empowering youth. The Bank will intensify efforts and implement strategic initiatives to ensure increased financial access for women and youth, aligning with our commitment to creating an inclusive and equitable financial landscape for all.

Female Customers

2.4 Mn

(2022: 1.9 Mn)

Youth Customers

3.3 Mn

(2022: 2.7 Mn)

Customer Experience

In our commitment to delivering exceptional service and maintaining transparent communication, we closely monitor key customer experience indicators.

94%

Percentage of customer complaints resolved within five days

87%

Customer Satisfaction Score

59

NPS score recorded for NMB Bank Plc

Our approach to responsible product development

Product development is a key focus, driven by market research conducted by the NMB innovation lab unit. Following a human-centered design approach, the bank collects insights through interviews, questionnaires, and feedback channels from various stakeholders such as customers, branches, agents, and ATMs. Initial ideas undergo thorough testing in the market, utilizing paper-based simulations before advancing to prototype development based on the received feedback.

Improvements	Improvements	Approach	Service provided
Improved user interface guiding the user's experience.	Customer-centric approach		<p>Access to:</p> <ul style="list-style-type: none"> Digital loans Fund transfers. Bill payments to investments Digital savings Cash withdrawals. Merchant payments Insurance solutions Discovery features <p>Benefit to the Bank:</p> <ul style="list-style-type: none"> The platform has over 5 million registered users, with one million customers actively using the app, and the usage and registration of the app are growing on a daily basis. This increase in user engagement has resulted in a notable monthly revenue increase, skyrocketing from TZS 6 billion to TZS 9 billion during this period.

Digital key highlights

96%

188 Mn

Digital retail customer transactions

Digital retail transactions in 2023, up 39% yoy

61%

YoY growth in digital banking (NMB Mkononi)

Driving Financial inclusion through Digital capabilities

We have invested much in providing better quality services to our clients. Today, we're proud to have a record of 96% of clients' transactions are conducted digitally, and we continue to introduce new features to help clients digitally conduct their financial transactions and seamlessly move money.

We also continue to invest in our teammates to equip them with modernized and world-class relationship skills.

New DSS onboarding application

To simplify the accounting opening process, we launched a new DSS customer onboarding application. As a result, 84% out of our 1.2 million new customers in 2023 were onboarded digitally.

84%

New customers onboarded digitally through DSS app

We continue to invest in the capability of our NMB Mkononi app to enable our customers to perform different transactions smoothly, during the year we made an update in NMB Mkononi platform to Improved user interface guiding the user's experience and enhance security. NMB Mkononi offers variety of services including, Digital loans, Fund transfers, Bill payments to investments, Digital savings, Cash withdrawals and Merchant payments.

5 Mn

Customers registered on Internet & Mobile Banking

We launched the NMB-Kwetu, a new proposition of its kind in the Tanzania Banking Industry, an online banking experience that allows diaspora customers to access their accounts, transfer funds, and manage personal finances from anywhere around the globe. NMB Kwetu allows digital data collection for account opening and instant international money transfer, enabling customers abroad to send funds directly to NMB bank accounts, other banks' accounts, or friends' and family members' mobile wallets.

During the year, we enhanced our products and services through the following initiatives:

New Mobile Banking Platform

Improvements	Approach	Service provided
Improved user interface guiding the users experience.	Customer centric approach	Access to: <ul style="list-style-type: none">Digital loansFund transfersBill payments to investmentsDigital savingsCash withdrawalsMerchant paymentsInsurance solutionsDiscovery features
Culturally sensitive, respectful of customer values.	Full suite of services	Benefit to the Bank: <ul style="list-style-type: none">The platform has over 5 million registered users, with one million customers actively using the app and the usage and registration grows on a daily basis.This increase in user engagement has resulted in a notable monthly revenue increase, skyrocketing from TZS 6 billion to TZS 9 billion during this period.



New DSS onboarding application

Improvements	Approach	Service provided
Digital enablement	Seamless customer experience	<ul style="list-style-type: none"> Currently 70% of current accounts were opened using this channel in 2023.
Seamless omnichannel		

Proof of Concept (POC) for a deposit ATM at one branch.

Improvements	Approach	Service provided
Empowering branch staff to provide enhanced services to customers.	Seamless customer experience	<ul style="list-style-type: none"> Pilot phase commenced on June 8th 2023 and concluded December 31st 2023.
	Boost deposit mobilisation.	<ul style="list-style-type: none"> The machine gathered a total sum of TZS 19 billion.

Status Report

Outreach	2023	2022
Number of branches	231	228
Number of branches in rural areas	155	153
Number of agents	28,295	19,854
Number of agents in rural areas	12,733	8,736
Number of ATM's	715	781
Number of ATMs in rural areas	350	346
Number of mobile banking subscriptions (active users)	4,952,822	4,677,020
Number of internet banking subscriptions (active users)	41,652	25,020
Total number of customers	6,945,767	5,840,589
1. 'Of which are mass market consumer retail	6,374,124	5,520,578
2. 'Of which rural retail customers	3,604,249	2,942,468
3. 'Of which are rural female retail customers	1,204,209	888,625
4. 'Of which Private Retail Banking	32,827	
5. 'Of which Corporates	72,949	7,378
6. 'Of which Micro, Small and Medium Enterprises (MSMEs)	367,664	226,211
7. 'Of which any Other category of customer not listed above	98,203	86,422
8. 'Of which are business customers (SMEs, corporates, special Agri-purpose account holders etc.) active in the Food and Agri value chain	69,252	120,868
8.1 'Of which are Corporates	8,335	5,528
8.2 'Of which are MSMEs	60,917	115,340
8.3 'Of which are farmers	805,113	117,092
9. 'Of which are farmer cooperatives	3,483	3,166
10. 'Of which are Agri-processors	982	610

Status Report Continued

Indicator	Our Initiative
A dedicated team/unit focused on Women-owned MSME banking	<p>The team seats under Retail products, pricing and insights.</p> <p>Sales and specific relationships are handled by Relationship officers/managers in both business banking and agri-business units.</p>
Dedicated products/services customized for the women-owned MSME segment	<p>The following products have preferential features such as rate and requirements for women:</p> <ul style="list-style-type: none"> Jasiri Loans Special rate Fanikiwa Loans Family banking (Mtoto, Chipukizi, Mwanachuo account)
Dedicated team/unit focused on women's retail banking	The team seats under Retail Products, Pricing and Insights.
Products specifically designed for the low-income retail segment	<p>The following products are specifically</p> <ul style="list-style-type: none"> NMB Pesa (Mobile Based account) Micro savings wallets: Spend 2 Save Group account - Pamoja account Loans: <ul style="list-style-type: none"> Mshiko Fasta (Micro digital loan) Fanikiwa Loans Machinga Loans
Dedicated products/services customized for women in the retail segment	<p>The following products have preferential features such as rates and requirements for women:</p> <ul style="list-style-type: none"> Jasiri Loans Special rate Fanikiwa Loans
Products specifically for low-income business traders / micro-enterprises	<p>The following products are specifically for low-income businesses:</p> <ul style="list-style-type: none"> Chap Chap account Fanikiwa account Fanikiwa Loans Machinga Loans
Micro-finance loans	<p>We offer micro loans such as:</p> <ul style="list-style-type: none"> Digital Loans (Mshiko Fasta) from TZS 1,000 to TZS 500,000

Climate Risk



Climate risk is a top priority for our sustainability agenda at NMB, as we aim to minimize the consequences of climate change’s transitional or physical impacts.



Trees Planted
1.2 Mn

Jobs sustained through broader economic impact

Conferences
189
Number of Climate Action conferences supported

COP 28

Actively participated in global discourse, including COP28

GHG Emission
14,812
Tonnes
(2022: 11,600.75)

Climate Risk

Why it matters

We recognize climate change as one of our planet's most significant risks. Climate risk is central to our sustainability agenda at NMB Bank, as we seek to limit the impacts that result from its transitional or physical effects.

We continue to work on the measures required to address climate change, mitigate the impact of our operations on the climate, and support a transition towards lower-carbon operations and products.

Our approach and progress

We believe that Banks have a unique role in tackling the pressing agenda of climatic change and related risks. At NMB, we believe we can play a purposeful role in combating climate change through several initiatives, aiming to reduce the bank's emissions and emissions through bans, finance, and capital flows, coupled with advocacy initiatives geared towards advancing climate-friendly practices across the value chain.

Our commitment

NMB pledges to strengthen its climate, environmental, and social (E&S) risk assessment and management practices to minimize the negative impacts of lending and investment activities on society, the environment, NMB's customers, and bank operations.

Our climate risk framework

Following the Bank of Tanzania's climate-related risk guidelines issued in June 2023, NMB Bank has proactively embedded climate risk into its Enterprise Risk Management (ERM) framework. This approach ensures that climate considerations are integrated into our overall risk management strategy.

A comprehensive Climate Risk Management Policy has been developed that aligns with the existing E&S Impact Management policy and the Bank of Tanzania's Guidelines on Climate-Related Financial Risks Management.

We have taken measures to determine our overall environmental footprint. This includes our carbon footprint, where we determine our scope 1, 2, and 3 emissions. Given the complexity of accurately determining financed emissions data, this work is nascent and is expected to be rolled out in the short term.

The Bank has established key performance indicators (KPIs) at a departmental level, cascading from the CEO to the executive committees, heads of departments, and the broader workforce. To ensure robust risk management, we conducted stress testing of our books against potential risks. In 2023, we enhanced our stress testing tool to incorporate climate risk. We plan to assess our resilience levels throughout the year by evaluating our operations against climate-related scenarios. This further aligns with our ongoing efforts to fortify the bank against potential risks.

Climate Risk Management Approach

1 Identification and Assessment of Climate Risks

Systematically and comprehensively identify and assess the physical, transitional, and liability risks associated with climate change.

2 Risk Management

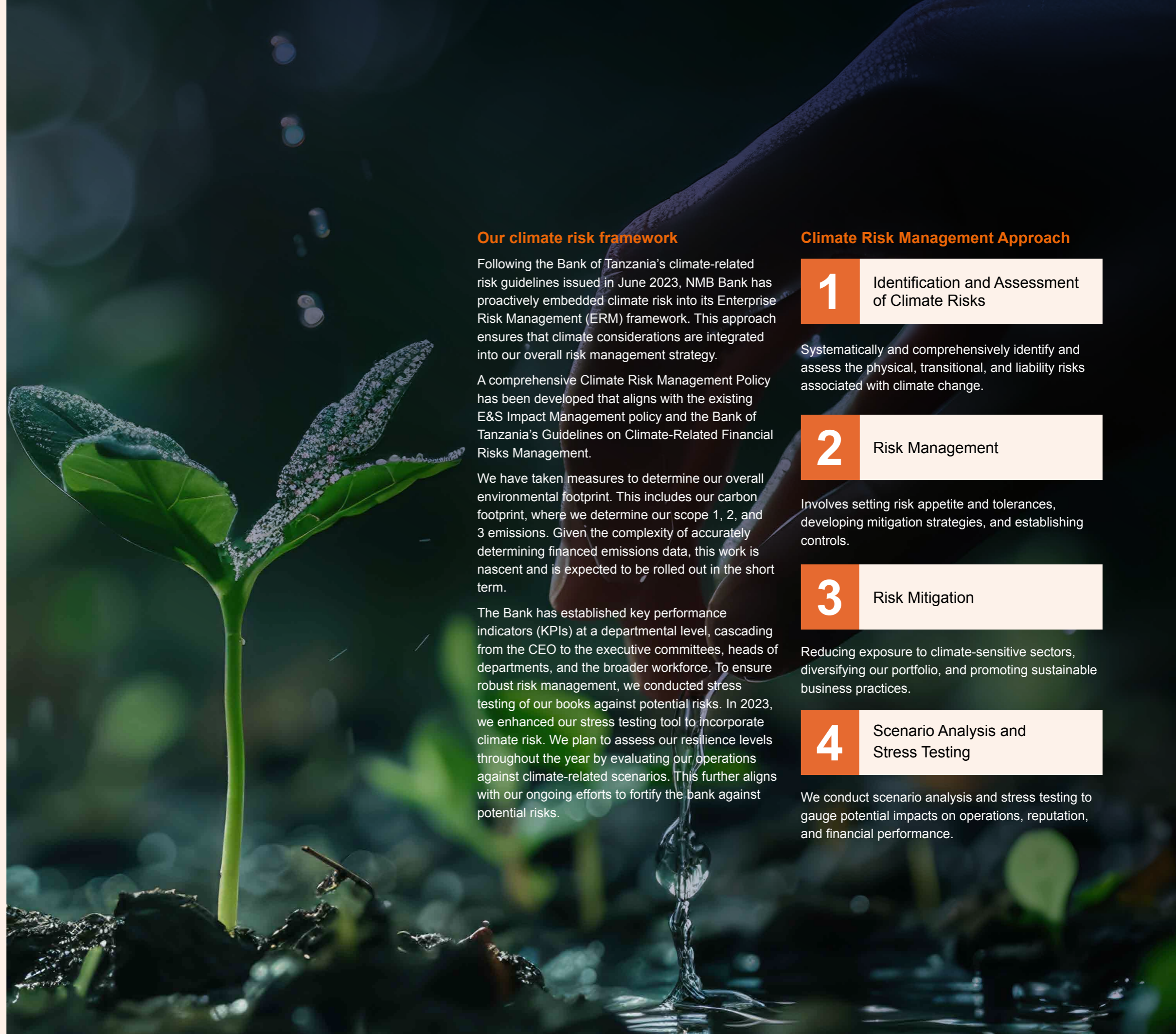
Involves setting risk appetite and tolerances, developing mitigation strategies, and establishing controls.

3 Risk Mitigation

Reducing exposure to climate-sensitive sectors, diversifying our portfolio, and promoting sustainable business practices.

4 Scenario Analysis and Stress Testing

We conduct scenario analysis and stress testing to gauge potential impacts on operations, reputation, and financial performance.



Environmental and Social Impact management

ESRM policy and governance framework

Why it matters

NMB, as a Responsible Corporate Citizen, seeks to manage environmental and social risks that we might be exposed to by virtue of transactions and financing relationships we have or are in the process of having with customers.

Our approach

Through our lending strategy, we deem prudent that our clients adequately comply with the required statutory environmental and social regulations as periodically stated through the National Environment Management Council (NEMC), the specific sectoral regulatory agencies, and the Office of the Vice President- Environment.

E&S policy and key objectives

The Policy, accompanied by sector-specific addendums for high-risk activities, was developed following an extensive assessment process that included gap analysis, industry benchmarking, and a materiality assessment of our lending portfolio.

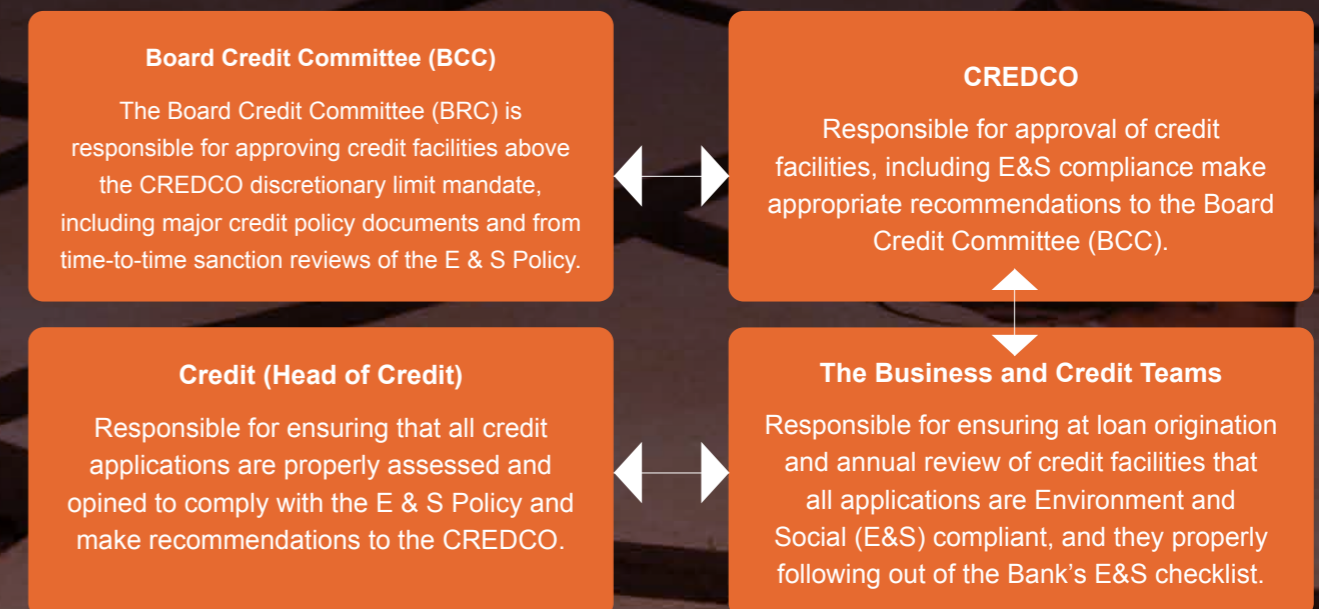
Furthermore, the policy outlines all sectors of the economy that have the greatest impact on the environment, and NMB deals substantially with these sectors.

The key objectives of the policy are as follows:

- To ensure that the environmental aspects of major projects financed by the Bank are given due consideration and that the borrowers have clearly stated mitigants to avoid any adverse environmental impacts.
- To liaise with the NEMC on technical cooperation to create awareness about environmental management best practices.
- To assist the Bank's customers especially those within the aforementioned sectors in understanding and identifying the underlying governance surrounding environmental issues, developing appropriate solutions, and implementing projects to sustainably manage, conserve, and improve the environment.
- To ensure that the equator principles are fully considered when appraising and undertaking due diligence of financing towards environmentally sensitive projects.

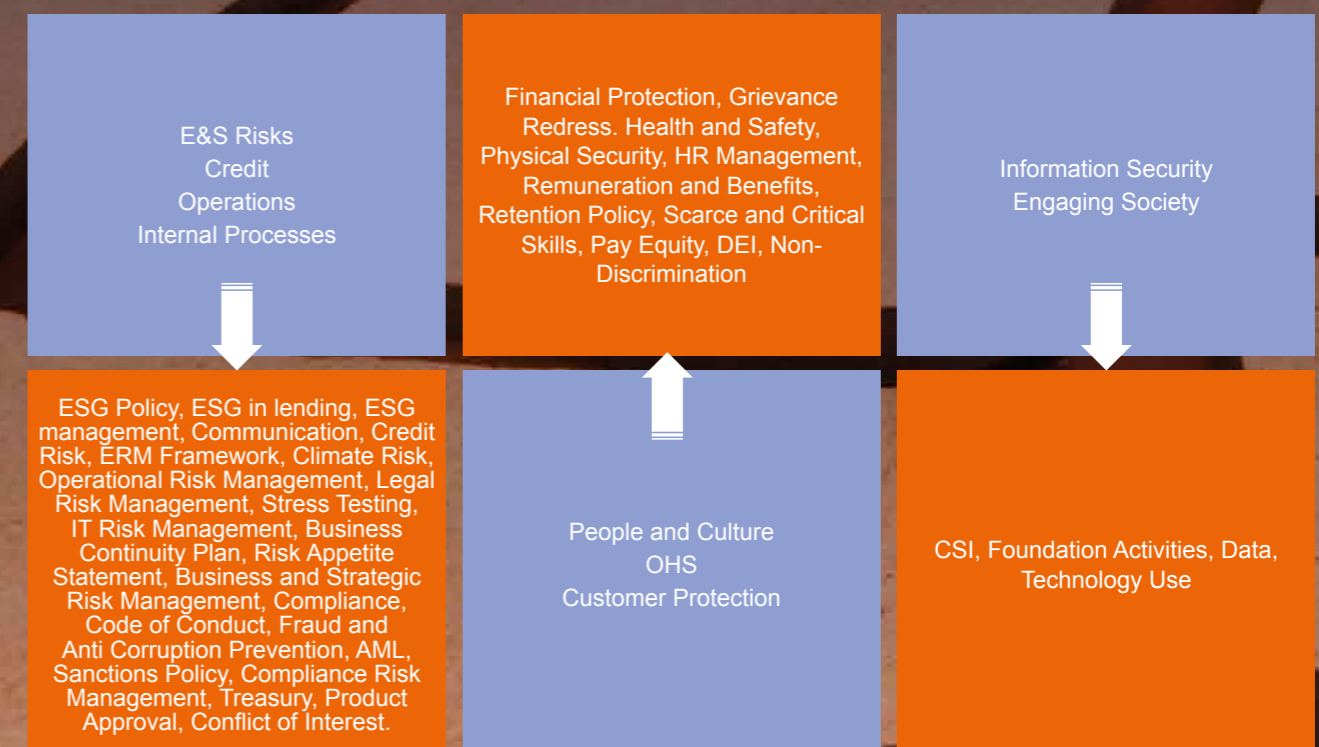


E&S Risk Governance Framework



Summary of policies, process, projects, programs and initiatives

The following are selected policies, processes, projects, programs, and initiatives that inform NMB Bank's approach to managing sustainability related issues:



Environmental and Social Policy Statement:

The Board of Directors and Management of NMB recognize that environmental conservation and management are the responsibility of all public and private institutions. As a good corporate citizen, NMB intends to fulfill this responsibility by actively working towards the realizing of sustainable development.

Our Commitments

- To Comply with relevant national and international environmental laws, regulations, standards, and other related requirements.
- To Integrate environmental consideration into procurement practices.
- To Prevent pollution by reducing, re-using, and recycling materials and goods purchased.
- To Encourage energy saving, reduce water consumption, and promote good housekeeping practices

- To Improve and maintain the quality of the working environment within the Bank and all our branches/affiliates (adequate office layout for staff and our customers, internal air quality, water quality, waste management, paper use, energy use, etc.).
- To Set and review our environment

Project Screening

NMB screens all projects/transactions to determine whether to proceed with a given transaction, given its environmental impact.

As defined by our Environmental and Social Impact management policy, the Bank will categorize transactions according to Low, Medium, or High Environmental risk to determine the scope of environmental and social due diligence necessary to identify risks.

As part of the due diligence and screening process, The bank has categorized environmental and social screening criteria to reflect the magnitude of potential impacts.

NMB's Exposure to Carbon-Related Sensitive Sectors

Sector	2023 portfolio exposure (%)	2022 portfolio exposure (%)	Transition risk
Agriculture	8.6%	6.8%	High
Building and Construction	6.8%	5.5%	Middle
Energy sector			
Oil and Gas	6.8%	9.9%	Low
Electricity	3.1%	2.2%	Middle
Transport and communication	2.1%	2.8%	Low
Manufacturing	9.3%	5.4%	High
Mining and Quarry	0.0%	0.7%	Low

Transition risk levels: ● Low ● Middle ● High

Counterparty due diligence

Risk assessment and scorecard

Business units are responsible for ensuring that they conduct environmental assessments at the loan origination level when preparing the Credit proposal.

Once the credit application is received at the Credit Department, the paper shall be subjected to credit analysis, including environmental assessment.

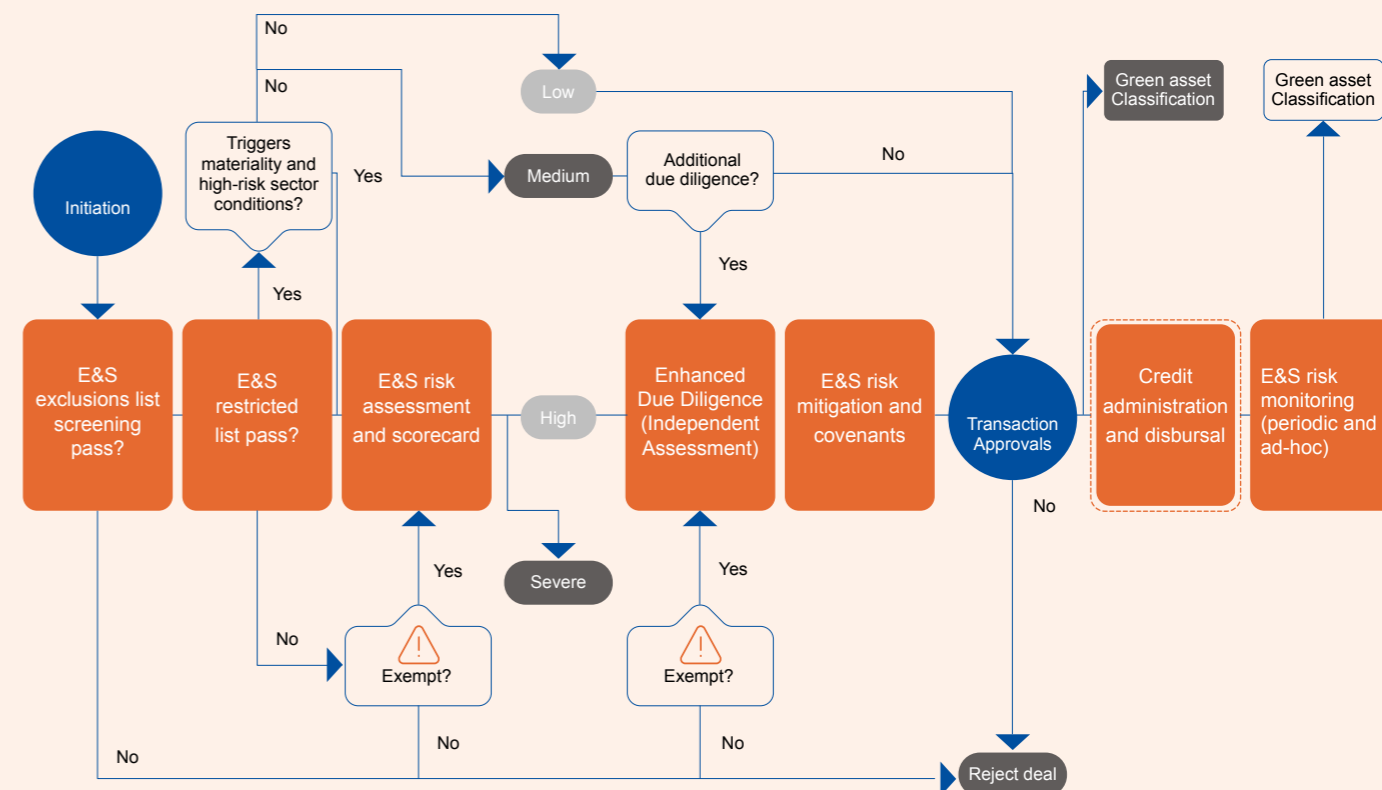
Every facility extended to a client is reviewed at least annually. The Bank monitors clients' compliance with environmental and social requirements with the same frequency as part of the annual facility review.

Categories of environmental and social screening criteria

Category A: Projects with potential significant adverse social or environmental impacts that is diverse, irreversible, or unprecedented.

Category B: Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.

Category C: Projects with minimal or no significant social or environmental impacts.



Environmental Stewardship

One Million Trees Planting Campaign

NMB Bank supports the government's efforts to conserve nature and restore degraded land. In 2023, the Bank set up an additional CSI budget of TZS 2 billion to specifically support Sustainability and Climate Action related initiatives. In line with the Bank's environmental stewardship pillar, sustainability ambitions, and NMB 25th Anniversary commemorations, the budget was allocated for implementing Sustainable initiatives in the community, mainly Tree Planting and Beekeeping.

NMB launched the MitiMilion Tree Planting campaign in March 2023 with a target to plant 1 million trees in a period of one year in collaboration with several implementation partners such as Tanzania Forestry Service Agency (TFS), Schools through TAMISEMI, and Defence forces

The launch and officiation of the Tree Planting campaign was done by the Vice President of the United Republic of Tanzania, Hon. Dr. Philip Isidor Mpango in Mtumba Dodoma.

The Vice President of the United Republic of Tanzania, Hon. Dr. Philip Isidor Mpango, launched and officiated the tree-planting campaign in Mtumba Dodoma.

The zonal inaugurations of the campaign started with Zanzibar on March 28 led by Minister of Agriculture, Irrigation, Natural Resource and Livestock, Mr. Shamata Shaame Khamis. The last zonal launch of the campaign took place on April 15 in Tabora where the Regional Administrative Secretary, Dr John Rogath Mboya, and the Chief Human Resources Officer of NMB, Mr Emmanuel Akonaay, graced the colourful and well attended event. Similar tree planting events took place in Arusha for the Northern Zone regions, Mtwara for regions in the Southern Zone, Mbeya for the Highlands Zone and Dar es Salaam for the two regions of the Dar es Salaam Zone.



To date, the Bank has surpassed its Tree planting target and planted 1.2 million trees. Trees planted in the NMB Mtumba site are well maintained with the support of the TFS Dodoma Zonal Office; as such, they have a survival rate of 100%. NMB Capital Office and Branch Construction in the same Mtumba site is expected to commence in February 2024. The construction architecture design has been factored in and will not affect the planted trees.

Given that research indicates that a mature tree absorbs approximately 25kg of CO2 per year, it is estimated that NMB-planted trees will absorb 24 million kg of CO2 per year after maturing in 2 years, assuming an 80% survival rate by then.

1.2 Mn+

Trees Planted in 2023



NMB's Smart Beekeeping Initiative

Beekeeping is a vital contributor to socio-economic development and environmental conservation. The sector is estimated to generate about US \$1.7 million each year from sales of honey and beeswax, employing about 2 million rural people. Beekeeping also plays a major role in improving biodiversity and increasing crop production through pollination.

In line with NMB Bank's Tree Planting Initiative, this project presented an opportunity for us to make a meaningful impact. Launched in November 2023, the Beekeeping Initiative is set to promote nature conservation, enhance forest ecosystems, and empower local communities through entrepreneurship. The initiative has supported 15 beekeeping groups by donating 500 beehives, fostering sustainable practices and economic growth. These beehives were donated to beekeeping groups in Morogoro, Tabora, and Njombe regions are areas recognized for their potential in beekeeping and forestry.

NMB Bank ensured the successful installation of beehives and provided technical expertise by partnering with Tanzania Forestry Services (TFS). TFS played a crucial role in offering Beekeeping training to the selected groups, imparting essential skills for sustainable beekeeping practices.



15

Beekeeping groups supported.

NMB Foundation, the philanthropic arm of NMB Bank, monitored the beekeeping groups and offered Entrepreneurship Training. This component aimed to empower the groups with the skills and knowledge to manage their beekeeping ventures effectively.

The Beekeeping Initiative has had a transformative impact on both the environment and the communities involved. The donation of 500 beehives has directly supported 15 beekeeping groups, providing them with the necessary resources to engage in sustainable and profitable beekeeping practices.

The initiative has not only contributed to the conservation of nature and forest ecosystems but has also paved the way for economic empowerment. The Entrepreneurship Training provided by the NMB Foundation has equipped local communities with the skills needed to manage their beekeeping businesses efficiently.

As the initiative progresses, NMB Bank remains committed to monitoring the groups, ensuring the sustainability of their beekeeping practices, and exploring opportunities for further community engagement.

The Beekeeping Initiative is timely, coinciding with Tanzania's role as the host of the 50th World Congress of Beekeepers in 2027. The conference is anticipated to take place in Arusha, allowing the country to exhibit its expertise in beekeeping and forestry.

500

Donated Beehives in 2023



DSE Sustainability disclosures

Topic	DSE Indicator and disclosure	Reference to report page number
General	Sustainability policy and goals, including milestones, plans for achieving goals, and long-term aspirations;	Page 13 - Page 16
	Corporate accountability and seniority of decision-making on sustainability issues;	Page 17 - Page 18
	Corporate stance on bribery and corruption;	Page 39 - Page 40
	Assessment of sustainability impacts, risks, or opportunities;	Page 15 - Page 16
	Risk management policies and processes arising from environmental and social concerns;	Page 67 - Page 74, NMB Integrated Annual report
	Relevant laws, regulations, international agreements, or voluntary agreements with strategic significance to the organisation and its stakeholders, including fines, sanctions, prosecution, and accidents for non-compliance with environmental laws and regulation.	NA
Environmental	Issues and future challenges for the specific industry sector that the Company operates in as observed by peers and competitors;	Refer to NMB Integrated Annual Report
	Climate change disclosures e.g. business or legal developments related to climate change mitigation or adaptation that may have an impact on the organisation	Page 68, 71, NMB Integrated Annual report page 137 - page 138, 173, page 198 - page 199
	Biodiversity management	NA
	Environmental management systems	Page 67 - Page 74, NMB Integrated Annual report page 219 - page 221, page 260 - page 261 & Page 291
Social	Labour practices and relations i.e., number of female staff in senior positions	Page 31 - page page 36, NMB Integrated annual report page 103 - page 108
	Diversity and inclusion of minority shareholders and women on the Board of Directors	NA
	Programs and practices that assess and manage the impacts of operations on communities	Page 37 - page 38, 73, 74
	Product responsibility policy and practices	Page 64



GRI Checklist



GRI Checklist

Response to the mandatory GRI 2021 disclosures is provided as follows:

Disclosure Type	Requirement	Report Section, Disclosure or Other Documentation
The Organization and its reporting practices		
2-1 <i>organisational details</i>	a Legal name	Page 3
	b Nature of ownership and legal form	Page 3, 18
	c Location of the headquarters	Page 95
	d Countries of operation	Page 3
2-2 <i>Entities included in the organisations sustainability report</i>	a Entities included in its sustainability reporting	Page 3
	b If the organization has audited consolidated financial statements or financial information filed on public record, specifying the differences between entities included in financial reporting	Refer to 2023 NMB Integrated Annual Report
	c If the organization consists of multiple entities, explain the approach used for consolidating information, including: <ul style="list-style-type: none"> · If the approach involves adjustments to information for minority interests. · How the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities. · Whether and how the approach differs across the disclosures in this Standard and across material topics. 	Refer to 2023 NMB Integrated Annual Report
2-3 <i>reporting period, frequency and contact point</i>	a Reporting period for, and the frequency of sustainability reporting	Page 2, 3, 17
	b Reporting period for financial reporting and, if not align to the sustainability reporting period, explain why.	Page 2 & refer to 2023 NMB Integrated Annual Report
	c Publication date of the report or reported information	Page 2
	d Contact point for questions about the report or reported information.	Page 2
2-4 <i>Restatements of information</i>	a Restatements of information made from previous reporting periods explaining reasons for the restatements.	Not applicable

Disclosure Type	Requirement	Report Section, Disclosure or Other Documentation
2-5 External assurance	a Describe policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved.	Page 2
	b If the sustainability report is externally assured: <ul style="list-style-type: none"> provide a link or reference to the external assurance report(s) or assurance statement(s). describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process. describe the relationship between the organization and the assurance provider. 	Not available
Activities and Workers		
Act2-6 Activities, value chain and other business relationships	a Report the sector(s) in which the entity is active	Page 3 - 4 & refer to 2023 NMB Integrated Annual Report page 204
	b Describe its <u>value chain</u> , including: <ul style="list-style-type: none"> the organization's activities, products, services, and markets served. the organization's supply chain. the entities downstream from the organization and their activities. 	Page 5
	c Report other relevant business relationships;	Page 12
	d Describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.	Not available
2-7 Employees	a Report total number of employees, breakdown of total by gender and by region.	Page 3, 32
	b Report the total number of: <ul style="list-style-type: none"> permanent employees, and a breakdown by gender and by region. temporary employees, and a breakdown by gender and by region. non-guaranteed hours employees, and a breakdown by gender and by region. full-time employees, and a breakdown by gender and by region. part-time employees, and a breakdown by gender and by region. 	Page 32 & refer to 2023 NMB Integrated Annual Report page 108 and 183
	c Describe the methodologies and assumptions used to compile the data, including whether the numbers are reported: <ul style="list-style-type: none"> In head count, full-time equivalent (FTE), or using another methodology. At the end of the reporting period, as an average across the reporting period, or using another methodology. 	Page 32
	d Report contextual information necessary to understand the data reported under 2-7-a and 2-7-b.	Page 31 - 36
	e Describe significant fluctuations in the number of employees during the reporting period and between reporting periods.	Page 35 & refer to 2023 NMB Integrated Annual Report page 108, 183

Disclosure Type	Requirement	Report Section, Disclosure or Other Documentation
2-8 Workers who are not employees	a Report the total number of workers who are not employees and whose work is controlled by the organization and describe: <ul style="list-style-type: none"> The most common types of worker and their contractual relationship with the organization. The type of work they perform. 	Not available
	b Describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported: <ul style="list-style-type: none"> In head count, full-time equivalent (FTE), or using another methodology. At the end of the reporting period, as an average across the reporting period, or using another methodology. 	Not available
	c Describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.	Not available
Governance		
2-9 Governance structure and composition	a Describe the governance structure, including committees of the highest governance body.	Page 18
	b List the committees of the highest governance body that are responsible for decision-making on and overseeing the management of the organization's impacts on the economy, environment, and people.	Page 18
	c Describe the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> Independence, tenure of members on the governance body, number of other significant positions and commitments held by each member, and the nature of the commitments, gender, under-represented social groups, competencies relevant to the impacts of the organization, stakeholder representation. 	Refer to 2023 NMB Integrated Annual Report page 147, 242 - 251
2-10 Nomination and selection of the highest governance body	a Describe the nomination and selection processes for the highest governance body and its committees.	Refer to 2023 NMB Integrated Annual Report page 238
	b Describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration: <ul style="list-style-type: none"> Views of stakeholders (including shareholders), Diversity, Independence, Competencies relevant to the impacts of the organization. 	Refer to 2023 NMB Integrated Annual Report page 238

Disclosure Type	Requirement	Report Section, Disclosure or Other Documentation
	a Is the chair of the highest governance body also a senior executive in the organization.	Refer to 2023 NMB Integrated Annual Report page 235 - 236
	b If the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.	Not applicable
	a Describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development.	Page 17 - 18
	b Describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including: <ul style="list-style-type: none"> Whether and how the highest governance body engages with stakeholders to support these processes. How the highest governance body considers the outcomes of these processes. 	Page 17 - 18
	c Describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review.	Page 17 - 18 & refer to 2023 NMB Integrated Annual Report page 244 - 246
2-13 <i>Delegation of responsibility for managing impacts</i>	a Describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including: <ul style="list-style-type: none"> Whether it has appointed any senior executives with responsibility for the management of impacts. Whether it has delegated responsibility for the management of impacts to other employees. 	Page 17 - 18
	b Describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.	Page 17 - 18
2-14 <i>Role of the highest governance body in sustainability reporting</i>	a Report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information;	Page 7, 17, 18, 29
	b If the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this.	Not applicable

Disclosure Type	Requirement	Report Section, Disclosure or Other Documentation
2-15 <i>Conflicts of interest</i>	a Describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated;	Refer to 2023 NMB Integrated Annual Report page 238 - 243
	b Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: <ul style="list-style-type: none"> Cross-board membership. Cross-shareholding with suppliers and other stakeholders. Existence of controlling shareholders. Related parties, their relationships, transactions, and outstanding balances. 	Refer to 2023 NMB Integrated Annual Report page 238 - 243
2-16 <i>Communication of critical concerns</i>	a Describe whether and how critical concerns are communicated to the highest governance body.	Refer to 2023 NMB Integrated Annual Report page 41
	b Report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.	Refer to 2023 NMB Integrated Annual Report page 243
2-17 <i>Collective knowledge of the highest governance body</i>	a Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.	Refer to 2023 NMB Integrated Annual Report page 239
2-18 <i>Evaluation of the performance of the highest governance body</i>	a Describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people.	Refer to 2023 NMB Integrated Annual Report page 153, 154, 240
	b Report whether the evaluations are independent or not, and the frequency of the evaluations.	Refer to 2023 NMB Integrated Annual Report page 153, 154, 240
	c Describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.	Refer to 2023 NMB Integrated Annual Report page 153, 154, 240
2-19 <i>Remuneration policies</i>	a Describe the remuneration policies for members of the highest governance body and senior executives, including: <ul style="list-style-type: none"> Fixed pay and variable pay. Sign-on bonuses or recruitment incentive payments. Termination payments. Claw backs. Retirement benefits. 	Refer to 2023 NMB Integrated Annual Report page 243 - 409
	b Describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.	Not available

Disclosure Type	Requirement	Report Section, Disclosure or Other Documentation
2-20 <i>Process of determining remuneration</i>	a Describe the process for designing its remuneration policies and for determining remuneration, including: <ul style="list-style-type: none"> Whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration. How the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration. Whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives. 	Page 31 & refer to 2023 NMB Integrated Annual Report page 243, 254
	b Report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.	Not applicable
2-21 <i>Annual total compensation ratio</i>	a Report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual).	Not reported
	b Report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual).	Not reported
	c Report contextual information necessary to understand the data and how the data has been compiled.	Not reported
Strategy, Policies and practices		
2-22 <i>Statement on sustainable development strategy</i>	a Report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.	Page 7 - 10, 14

Disclosure Type	Requirement	Report Section, Disclosure or Other Documentation
2-23 <i>Policy Commitments</i>	a Describe its policy commitments for responsible business conduct, including: <ul style="list-style-type: none"> The authoritative intergovernmental instruments that the commitments reference. Whether the commitments stipulate conducting due diligence. Whether the commitments stipulate applying the precautionary principle. Whether the commitments stipulate respecting human rights. 	Page 13 to 14, 17, 29, 39 to 40, 41, 47
	b Describe the specific policy commitment to respect human rights, including: <ul style="list-style-type: none"> The internationally recognized human rights that the commitment covers. The categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment. 	Page 41
	c Provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this.	Not reported
	d Report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level.	Page 7, 17 - 18, 29
	e Report the extent to which the policy commitments apply to the organization's activities and to its business relationships.	Page 70
	f Describe how the policy commitments are communicated to workers, business partners, and other relevant parties.	Page 31 - 34, 39 - 40, 59, 60,
2-24 <i>Embedding policy commitments</i>	a Describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including: <ul style="list-style-type: none"> How it allocates responsibility to implement the commitments across different levels within the organization. How it integrates the commitments into organizational strategies, operational policies, and operational procedures. How it implements its commitments with and through its business relationships. Training that the organization provides on implementing the commitments. 	Page 18

Disclosure Type	Requirement	Report Section, Disclosure or Other Documentation
Strategy, Policies and practices		
2-25 Processes to remediate negative impacts	a Describe the commitment to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to.	Not available
	b Describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in.	Page 20, 33, 34, 41, 59 - 60
	c Describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to.	Not available
	d Describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms.	Not available
	e Describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.	page 32, 35, 59 to 60
2-26 Mechanisms for seeking advice and raising concerns	a Describe the mechanisms for individuals to: <ul style="list-style-type: none"> · Seek advice on implementing the organization's policies and practices for responsible business conduct. · Raise concerns about the organization's business conduct. 	Page 59, 35, 41
2-27 Compliance with laws and regulations	a Report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by: <ul style="list-style-type: none"> · Instances for which fines were incurred. · Instances for which non-monetary sanctions were incurred. 	Not available
	b Report the total number and the monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: <ul style="list-style-type: none"> · Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period. · Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods. 	Not available
	c Describe the significant instances of non-compliance.	Not available
	d Describe how it has determined significant instances of non-compliance.	Not available

Disclosure Type	Requirement	Report Section, Disclosure or Other Documentation
Stakeholder engagement		
2-28 Membership associations	a Report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role.	Page 35, 73, 74
2-29 Approach to stakeholder engagement	a Describe its approach to engaging with stakeholders, including: <ul style="list-style-type: none"> · The categories of stakeholders it engages with, and how they are identified. · The purpose of the stakeholder engagement. · How the organization seeks to ensure meaningful engagement with stakeholders. 	Page 19 - 20
2-30 Collective bargaining arrangements	a Report the percentage of total employees covered by collective bargaining agreements.	Page 31
	b For employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations.	Not available

Based on the list of non-mandatory GRI disclosures NMB Bank has determined the following to be material to report against. In the absence of sector specific guidelines which are still in development this list is based on the GRI

Disclosure Type	Guidance disclosure	Report Section, Disclosure or Other Documentation
Economic		
	GRI 201: Economic Performance	
	1. Management approach disclosures	Page 9, 17 - 18
	2. Topic-specific disclosures	
	Disclosure 201-1 Direct economic value generated and distributed	Page 4, 15 - 16, & Refer to NMB Integrated Annual Report 3 - 4, 11 - 14, 17 - 19, 27 - 29, 51 - 56
	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	Page 7, 16 and 71
	Disclosure 201-3 Defined benefit plan obligations and other retirement plans	Refer to NMB Integrated Annual Report 2023 page 184
	Disclosure 201-4 Financial assistance received from government	Not available
	GRI 202: Market Presence	
	1. Management approach disclosures	Page 3 - 4, 5 - 6
	2. Topic-specific disclosures	
	Disclosure 202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not available
	Disclosure 202-2 Proportion of senior management hired from the local community	Not available
	GRI 203: Indirect Economic Impacts	
	1. Management approach disclosures	Page 10, 37 - 38, 42, 47 - 50
	2. Topic-specific disclosures	
	Disclosure 203-1 Infrastructure investments and services supported	Page 62 - 64 & refer to NMB Integrated Annual Report 2023 page 9, 90, 91, 138, 175, 188 - 189
	Disclosure 203-2 Significant indirect economic impacts	Page 15 - 16, 42, 45 - 64
	GRI 204: Procurement Practices	
	1. Management approach disclosures	Page 44, 71 - 72
	2. Topic-specific disclosures	
	Disclosure 204-1 Proportion of spending on local suppliers	Not available
	GRI 205: Anti-corruption	
	1. Management approach disclosures	Page 39 - 40
	2. Topic-specific disclosures	
	Disclosure 205-1 Operations assessed for risks related to corruption	Page 39 - 40
	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	Page 39 & refer to NMB Integrated Annual Report 2023 page 202, 263
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	Not available

Disclosure Type	Guidance disclosure	Report Section, Disclosure or Other Documentation
Economic		
	GRI 206: Anti-competitive Behaviour	
	1. Management approach disclosures	Not available
	2. Topic-specific disclosures	
	Disclosure 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Not available
	GRI 207: Tax	
	1. Management approach disclosures	Page 42 & refer to NMB Integrated Annual Report 2023 page 13, 119, 201
	2. Topic-specific disclosures	
	Disclosure 207-1 Approach to tax	Page 42 & refer to NMB Integrated Annual Report 2023 page 13, 119, 201
	Disclosure 207-2 Tax governance, control, and risk management	Page 42
	Disclosure 207-3 Stakeholder engagement and management of concerns related	Not available
Environmental		
	GRI 301: Materials	
	1. Management approach disclosures	Page 29, 43 - 44
	2. Topic-specific disclosures	
	Disclosure 301-1 Materials used by weight or volume	Page 43 - 44
	Disclosure 301-2 Recycled input materials used	Not available
	Disclosure 301-3 Reclaimed products and their packaging materials	Not available
	GRI 302: Energy	
	1. Management approach disclosures	Page 29 - 30
	2. Topic-specific disclosures	
	Disclosure 302-1 Energy consumption within the organization	Page 29 - 30
	Disclosure 302-2 Energy consumption outside of the organization	
	Disclosure 302-3 Energy intensity	
	Disclosure 302-4 Reduction of energy consumption	Page 29 - 30
	Disclosure 302-5 Reductions in energy requirements of products and services	
	GRI 303: Water and Effluents	
	1. Management approach disclosures	Page 43
	Disclosure 303-1 Interactions with water as a shared resource	Not available
	Disclosure 303-2 Management of water discharge-related impacts	Not applicable
	2. Topic-specific disclosures	
	Disclosure 303-3 Water withdrawal	Not applicable
	Disclosure 303-4 Water discharge	Not applicable
	Disclosure 303-5 Water consumption	Page 43

Disclosure Type	Guidance disclosure	Report Section, Disclosure or Other Documentation
Environmental		
	GRI 304: Biodiversity	
	1. Management approach disclosures	Not available
	2. Topic-specific disclosures	
	Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not available
	Disclosure 304-2 Significant impacts of activities, products, and services on biodiversity	Not available
	Disclosure 304-3 Habitats protected or restored	Not available
	Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not available
	GRI 305: Emissions	
	1. Management approach disclosures	Page 7, 14, 24, 29 - 30
	2. Topic-specific disclosures	Not available
	Disclosure 305-1 Direct (Scope 1) GHG emissions	Not available
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	Not available
	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	Not available
	Disclosure 305-4 GHG emissions intensity	Page Reported
	Disclosure 305-5 Reduction of GHG emissions	Page 30
	Disclosure 305-6 Emissions of ozone-depleting substances (ODS)	Not applicable
	Disclosure 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not applicable
	GRI 306: Effluents and Waste 5	
	1. Management approach disclosures	Page 43
	2. Topic-specific disclosures	
	Disclosure 306-1 Water discharge by quality and destination	Not available
	Disclosure 306-2 Waste by type and disposal method	Not available
	Disclosure 306-3 Significant spills	Not available
	Disclosure 306-4 Transport of hazardous waste	Not available
	Disclosure 306-5 Water bodies affected by water discharges and/or runoff	Not available

Disclosure Type	Guidance disclosure	Report Section, Disclosure or Other Documentation
Environmental		
	GRI 307: Environmental Compliance	
	1. Management approach disclosures	Not available
	2. Topic-specific disclosures	
	Disclosure 307-1 Non-compliance with environmental laws and regulations	Not available
	GRI 308: Supplier Environmental Assessment	
	1. Management approach disclosures	Page 44 & refer to NMB Integrated Annual Report 2023 page 12, 202
	2. Topic-specific disclosures	
	Disclosure 308-1 New suppliers that were screened using environmental criteria	
	Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken	
Social		
	GRI 401: Employment	
	1. Management approach disclosures	Page 31 and 36 & refer to NMB Integrated Annual Report 2023 page 11, 102 - 108
	2. Topic-specific disclosures	
	Disclosure 401-1 New employee hires and employee turnover	Page 32,35 & refer to NMB Integrated Annual Report 2023 page 104, 108
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Refer to NMB Integrated Annual Report 2023
	Disclosure 401-3 Parental leave	Page 36
	GRI 402: Labour/Management Relations	
	1. Management approach disclosures	Page 31, 35 - 36
	2. Topic-specific disclosures	
	Disclosure 402-1 Minimum notice periods regarding operational changes	Not available
	GRI 403: Occupational Health and Safety	
	Scope of 'workers' in this Standard	
	1. Management approach disclosures	Page 105 & refer to NMB Integrated Annual Report 2023
	Disclosure 403-1 Occupational health and safety management system	Not available
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	Not available
	Disclosure 403-3 Occupational health services	Not available
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	Not reported
	Disclosure 403-5 Worker training on occupational health and safety	Not reported
	Disclosure 403-6 Promotion of worker health	Refer to NMB Integrated Annual Report 2023 page 105
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not applicable

Disclosure Type	Guidance disclosure	Report Section, Disclosure or Other Documentation
Social		
	GRI 403: Occupational Health and Safety	
	2. Topic-specific disclosures	Not reported
	Disclosure 403-8 Workers covered by an occupational health and safety management system	Not reported
	Disclosure 403-9 Work-related injuries	Not reported
	Disclosure 403-10 Work-related ill health	Not reported
	GRI 404: Training and Education	
	1. Management approach disclosures	Page 33 - 34 & refer to NMB integrated Annual Report 2023 page 104, 187, 201
	2. Topic-specific disclosures	
	Disclosure 404-1 Average hours of training per year per employee	Page 33
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	Page 33 - 34
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	Refer to NMB Integrated Annual Report 2023 page 34
	GRI 405: Diversity and Equal Opportunity	
	1. Management approach disclosures	Page 35 to 36
	2. Topic-specific disclosures	
	Disclosure 405-1 Diversity of governance bodies and employees	Page 35 & refer to NMB integrated Annual Report 2023 page 105, 124, 132, 261
	Disclosure 405-2 Ratio of basic salary and remuneration of women to men	Page 35
	GRI 406: Non-discrimination	
	1. Management approach disclosures	Page 35 - 36, 41
	2. Topic-specific disclosures	
	Disclosure 406-1 Incidents of discrimination and corrective actions taken	Page 35, 41
	GRI 407: Freedom of Association and Collective Bargaining	
	1. Management approach disclosures	Page 31
	2. Topic-specific disclosures	
	Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not available
	GRI 408: Child Labour	
	1. Management approach disclosures	Not available
	2. Topic-specific disclosures	

Disclosure Type	Guidance disclosure	Report Section, Disclosure or Other Documentation
	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labour	Not available
Social		
	GRI 409: Forced or Compulsory Labour	
	1. Management approach disclosures	Not available
	2. Topic-specific disclosures	
	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Not available
	GRI 410: Security Practices	
	1. Management approach disclosures	Not available
	2. Topic-specific disclosures	Not available
	Disclosure 410-1 Security personnel trained in human rights policies or procedures	Not available
	GRI 411: Rights of Indigenous Peoples	Not available
	1. Management approach disclosures	Not available
	2. Topic-specific disclosures	
	Disclosure 411-1 Incidents of violations involving rights of indigenous peoples	Not applicable
	GRI 412: Human Rights Assessment	
	1. Management approach disclosures	Page 41
	2. Topic-specific disclosures	
	Disclosure 412-1 Operations that have been subject to human rights reviews or impact assessments	Page 41
	Disclosure 412-2 Employee training on human rights policies or procedures	Not available
	Disclosure 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not available
	GRI 413: Local Communities	
	1. Management approach disclosures	Page 37 - 38
	2. Topic-specific disclosures	
	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	Page 37 - 38, 73 - 74
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	Not applicable
	GRI 414: Supplier Social Assessment	
	1. Management approach disclosures	Page 44 & refer to NMB integrated Annual Report 2023 page 12, 202
	2. Topic-specific disclosures	
	Disclosure 414-1 New suppliers that were screened using social criteria	Not available
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	Not available

Disclosure Type	Guidance disclosure	Report Section, Disclosure or Other Documentation
Social		
	GRI 415: Public Policy	
	1. Management approach disclosures	Not reported
	2. Topic-specific disclosures	
	Disclosure 415-1 Political contributions	Refer to NMB Integrated Annual Report 2023 page 262
	GRI 416: Customer Health and Safety	
	1. Management approach disclosures	Page 20, 39, 59 & refer to NMB Integrated Annual Report 2023 page 12, 78
	2. Topic-specific disclosures	
	Disclosure 416-1 Assessment of the health and safety impacts of product and service categories	Not reported
	Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not available
	GRI 417: Marketing and Labelling	
	1. Management approach disclosures	Not available
	2. Topic-specific disclosures	
	Disclosure 417-1 Requirements for product and service information and labelling	Not available
	Disclosure 417-2 Incidents of non-compliance concerning product and service information and labelling	Not available
	Disclosure 417-3 Incidents of non-compliance concerning marketing communications	Not available
	GRI 418: Customer Privacy	
	1. Management approach disclosures	Page 39 - 41 & refer to NMB Integrated Annual Report 2023 page 92, 200
	2. Topic-specific disclosures	
	Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not available
	GRI 419: Socioeconomic Compliance	Not available
	GRI 419: Socioeconomic Compliance	
	1. Management approach disclosures	Not available
	2. Topic-specific disclosures	
	Disclosure 419-1 Non-compliance with laws and regulations in the social and economic area	Not available



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