



SBN Holdings Limited

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021

Standard Bank **IT CAN BE™**

Also trading as Stanbic Bank

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# Purpose of this report

Our first Environmental, Social and Governance (ESG) report is part of our alignment with the Standard Bank Group's reporting disclosures relating to managing our ESG risks.

## Assurance statement

We have adopted a combined assurance model that includes a series of internal policies, procedures and controls that are in place to ensure that accurate data is provided across our reporting suite and it forms part of the year end audit.

The board is responsible for the report and approved it on 4 March 2022.

## Our reporting suite

Our stakeholders are drawn from all levels of Namibian society and are active across various sectors of the Namibian economy. They therefore, have diverse interests and require different information from the group. To engage with all interested parties as effectively as possible, we produce three reports annually:

### The annual report

our primary report to stakeholders which provides an assessment of our ability to create value over time. It includes our annual financial statements and information relevant to our shareholders



### Report to society

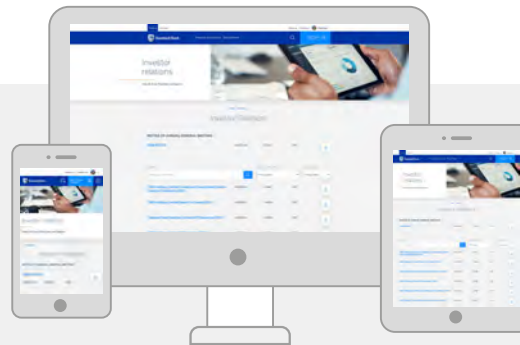
our report to society covers our material focus areas in relation to our strategy and an assessment of our social, economic and environmental (SEE) impacts in the areas we believe we have the greatest impact and opportunity



THIS REPORT

### Environmental, social and governance (ESG) report

our ESG report provides an overview of the processes and governance structures that relate to social and environmental matters



## Feedback

We encourage our stakeholders to share their views with us. If there is something you would like to know or feedback that you would like to share, please get in touch with [Sigrid.Tjijorokisa@standardbank.com.na](mailto:Sigrid.Tjijorokisa@standardbank.com.na)

**Additional reports and other financial information can be found online at:**



[www.standardbank.com.na/namibia/personal/about-us/investor-relations](http://www.standardbank.com.na/namibia/personal/about-us/investor-relations)



**ESG** Read more in this report



**AR** Read more in our annual report



**RTS** Read more in our report to society

This report is best viewed in Adobe Acrobat for desktop, mobile or tablet. Click to download or update to the latest Adobe Acrobat Reader and then links to <https://acrobat.adobe.com/za/en/acrobat/pdf-reader.html>

# About Standard Bank Namibia

Standard Bank's first branch opened in 1915 in Lüderitz, making us one of Namibia's oldest companies.

## Who we are

**Namibia is our home, we drive her growth.**

Our success and growth over the long term is centred on making a difference in the communities in which we operate.

We are commercially and morally bound to serve Namibia and her people in return for the long-term profitable growth we aim to deliver as a leading financial services group in the country. We are committed to moving Namibia forward and driving her growth.

The bank's original vision was to better understand its customers, employing people with a strong knowledge of local business conditions and to better connect borrowers with lenders. This vision created the foundation for the kind of bank it would become and the qualities which its customers and clients expect.

We are proud to be part of Standard Bank Group, a financial services organisation rooted in Africa with operations in 20 sub-Saharan African countries.

We have grown from a few employees to over 1 400 today, and our roots are deep in the fabric of Namibian society. Being committed to making banking available to all Namibians, we have evolved and adapted with our customers and people, growing a rich heritage while nurturing and protecting our reputation.

We uphold the highest standards of corporate governance and are committed to advancing the principles and practices of sustainable development.

## Standard Bank has a strong presence in Namibia

and has always lived up to the promise of bringing banking to the nation. We have succeeded through our wide network of branches and ATMs across Namibia.



### Branches (including in-store)

62

2020: 63



### ATMs

409

2020: 372

## Transactional volumes on our digital platforms



### Internet Banking

3 591 280

2020: 3 185 377



### PayPulse

962 963

2020: 882 752



### USSD\*

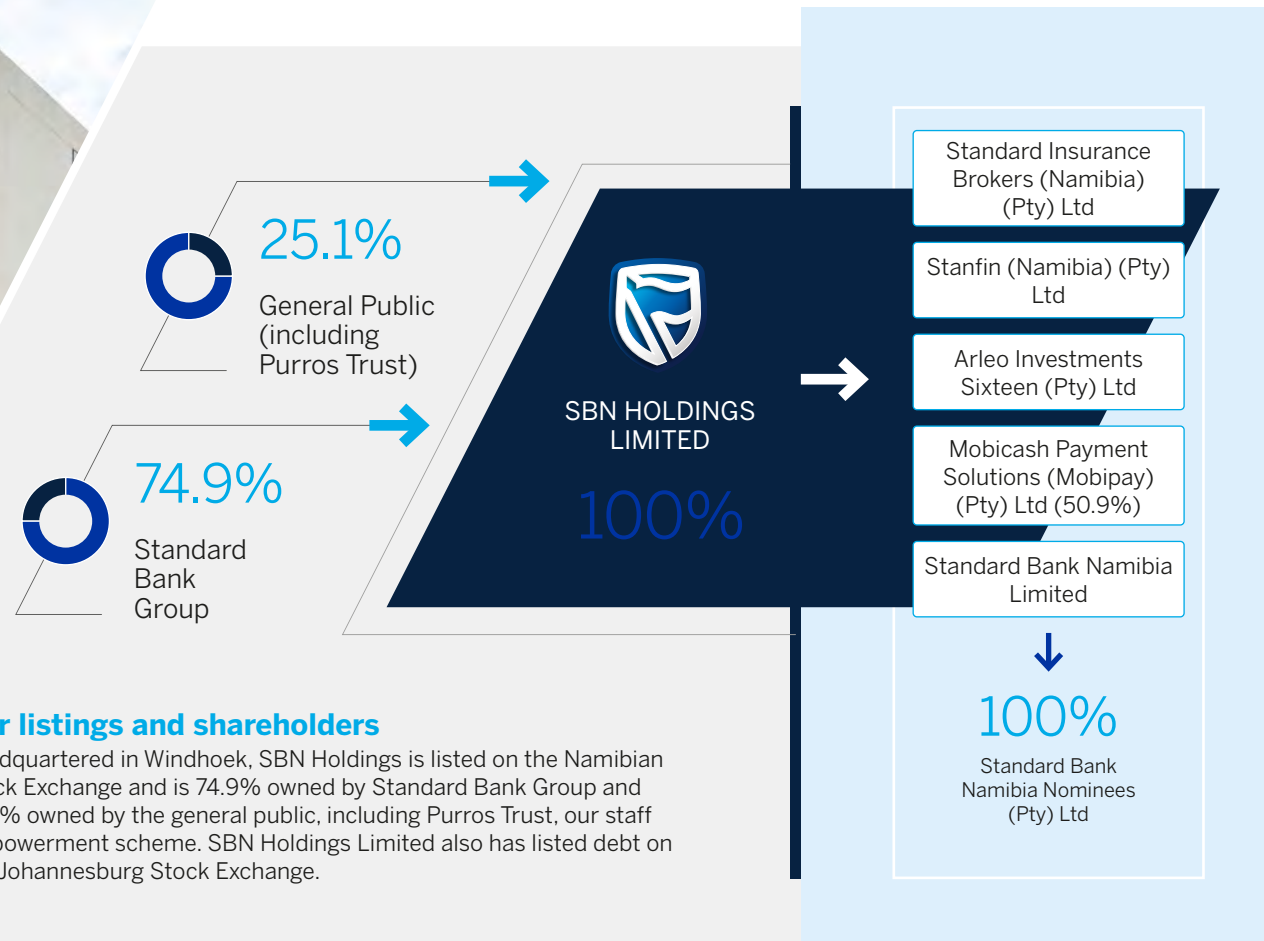
1 136 606

2020: 1 033 501

\*Unstructured supplementary service data



## Our company structure



## Modernising our corporate architecture to enhance delivery and strengthen customer relationships

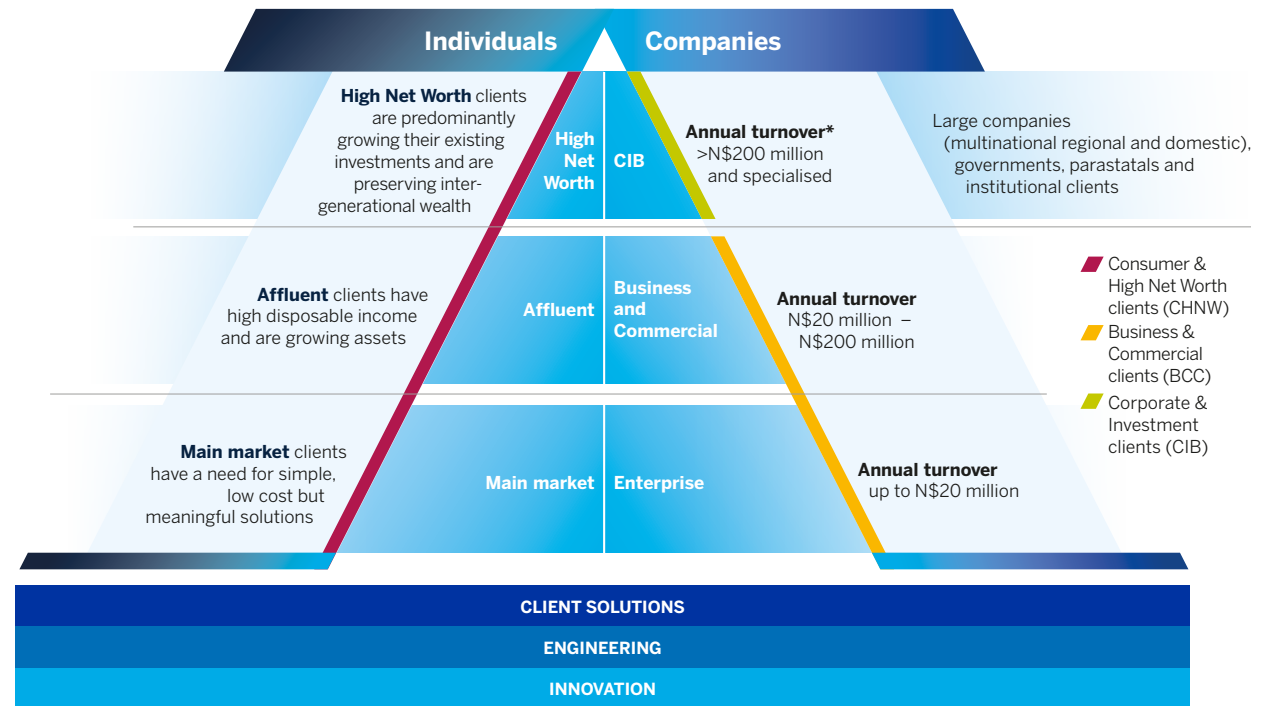
In one of the most significant developments of 2021, SBN introduced changes to our corporate architecture to align with that of the Standard Bank Group (SBG). These changes aim to bring a new era of integrated financial services benefits to Namibians and, through alignment with SBG and its operations in 20 countries across the continent, position ourselves for growth opportunities.

The modernisation of our internal structure, completed during the latter part of 2021, has enabled us to engage better and strengthen our relationships with clients. The changes have effectively moved us from operating through our traditional business lines, to a structure built around client segments that are appropriate for meeting the requirements of a rapidly changing financial sector.

### How we organise ourselves

In January 2021, we introduced a new operating model. We re-organised ourselves into three Client Segments that are supported by three capabilities, namely Client Solutions, Engineering and Innovation capabilities.

These changes enable SBN Holdings to deliver integrated and seamless financial services to our clients, reducing the time and cost to serve, and to innovate more quickly and effectively. The benefits are already evident in the measures against which we track our progress, and we are confident that this momentum will continue.



\* Indicative levels that may vary based on complexity of client relationship and country dynamics.



## Message from Mercia Geises

### Chief Executive Officer, Standard Bank Namibia

We believe that Namibia is our home, we drive her growth. We aim to make life better for fellow Namibians, by contributing to the financial wellbeing of our customers and by supporting the sustainable and job-creating growth of our economy. We entered 2021 feeling optimistic about the recovery of Namibia's people and economy from the impact of the Covid-19 pandemic and throughout the year have lived our purpose.

Our stakeholders are drawn from all levels of Namibian society and throughout our history, we have been active participants in building a financial services institution that is committed to improving the lives of all Namibians. Like them, we have continued to evolve and adapt while upholding high standards of corporate governance and committing to sustainable business practices and advancing national development plans.

We are focused on delivering a sustainable strategy that creates shared value and embodies our commitment to a shared future for our clients, our people and our other stakeholders.

Our social relevance is fundamental to our survival and underpinned by effective ESG risk management that minimises direct and indirect harm to the environment and society from our operations. Our approach to ESG is informed by that of the Standard Bank Group, a majority shareholder of SBN Holdings, whose approach integrates global frameworks and standards, local regulatory requirements, the code of ethics and conducts together with the expectations and priorities of our stakeholders.

We have proven our resilience during another difficult year and are confident that we can continue to make a positive impact in our SEE objectives and manage our ESG risks. We welcome your feedback.

**Mercia Geises**

Chief Executive Officer, Standard Bank Namibia

# Our approach to sustainability

## Namibia is our home, we drive her growth.

Given our purpose of driving Namibia's growth and that our strategy focuses on sectors rated as high ESG risk, best practice ESG risk management is the foundation for delivering SEE impact. ESG performance is one of our metrics for measuring our SEE impact





## Value created for stakeholders during 2021

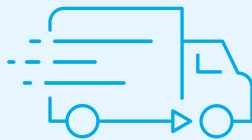
We take pride in our purpose – **‘Namibia is our home, we drive her growth’** – and strive to create and distribute wealth by investing responsibly and sustainably in projects that create value for all our stakeholders, including employees, suppliers, governments, the community and shareholders.

### Employees



We paid  
**N\$838.9 million**  
to our employees  
in salaries and  
other incentives

### Suppliers



We paid  
**N\$747.9 million**  
to our suppliers and  
service providers

### Governments



We paid  
**N\$198.7 million**  
in tax

### Community



We provided  
**N\$7.6 million**  
through our  
CSI programmes

### Shareholders



We paid  
**N\$156.7 million**  
to shareholders  
as dividends

### Reinvested



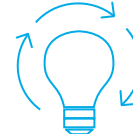
We reinvested  
**N\$214.3 million**

# Engaging with our stakeholders and understanding our material issues

## Our stakeholders

Our relevance to the markets and society within which we operate depends on continued and meaningful engagement with all stakeholders.

Our stakeholder management includes optimally employing our organisational resources to build and main good relationships. This engagement helps the group to manage the expectations of society, minimise reputational risk and form strong partnerships, ensuring our business sustainability.



### Who

Our stakeholders are those individuals, groups, and organisations that materially affect or could be materially affected by our business activities, products, services and performance. They provide us with the resources and capital we need to achieve our strategy and purpose; influence the environment in which we operate our business; and confer legitimacy on our activities. They include our clients, employees and regulators, shareholders, partners and service providers, and the communities in which we operate.

### What

The issues on which we engage our stakeholders are numerous and diverse. We are committed to listening to, and constructively engaging with all legitimate stakeholders.

### Why

Proactive engagement provides us with insights that help to inform the definition of our material issues and shape our business strategy and operations, while enabling us to manage and respond to stakeholder concerns and minimise reputational risk.

### How

Oversight is provided by executive leadership and the board. Standard Bank Namibia's executives and managers engage regularly with stakeholders on relevant issues, and are responsible for reporting material stakeholder priorities and concerns.

## Governance of stakeholder engagements

We follow the SBG **stakeholder engagement principles**. We are committed to:

- Constructive engagement, listening to concerns and suggestions with an open mind
- Being transparent in our engagements
- Responding appropriately to legitimate concerns

- Being accessible
- Ensuring that our code of ethics and our values underpin and inform our engagements.

We also have guidelines and policies in place to govern our engagements with specific groups of stakeholders. These ensure that bank representatives have an appropriate mandate for engagement,

During 2021, SBN participated in a series of **masterclasses on stakeholder engagement**, hosted by SBG executives from different business areas and countries, and open to all employees, to raise awareness of the importance of effective stakeholder engagement and share lessons and advice.

## Our material issues

The issues that are material to our strategy are those that have a significant impact on our ability to create enterprise value in the short, medium and long term.

**We consider an issue to be material if it has the potential to substantially affect our commercial viability, our social relevance and the quality of our relationships with our stakeholders.**

The expectations of our stakeholders and the social, economic and environmental context in which we operate determine our material issues.

Our material issues include emerging threats and opportunities facing the business, which we constantly monitor. Although the material issues evolve in response to changes in our operating

environment and stakeholder expectations, the overarching themes tend to be relatively stable.

Matters are raised by board sub-committees. Breaches of tolerance levels are contained in the strategic risk register and escalated to then risk management committee, board risk committee and board.

Based on an assessment of our material issues, including engagement with our diverse stakeholders, to help us identify relevant priorities, we made minor updates to these material issues.

### Priority ESG issues during 2021 included:



Cybersecurity



Ethics and Conduct



The health and wellbeing of our people



Climate-related risk



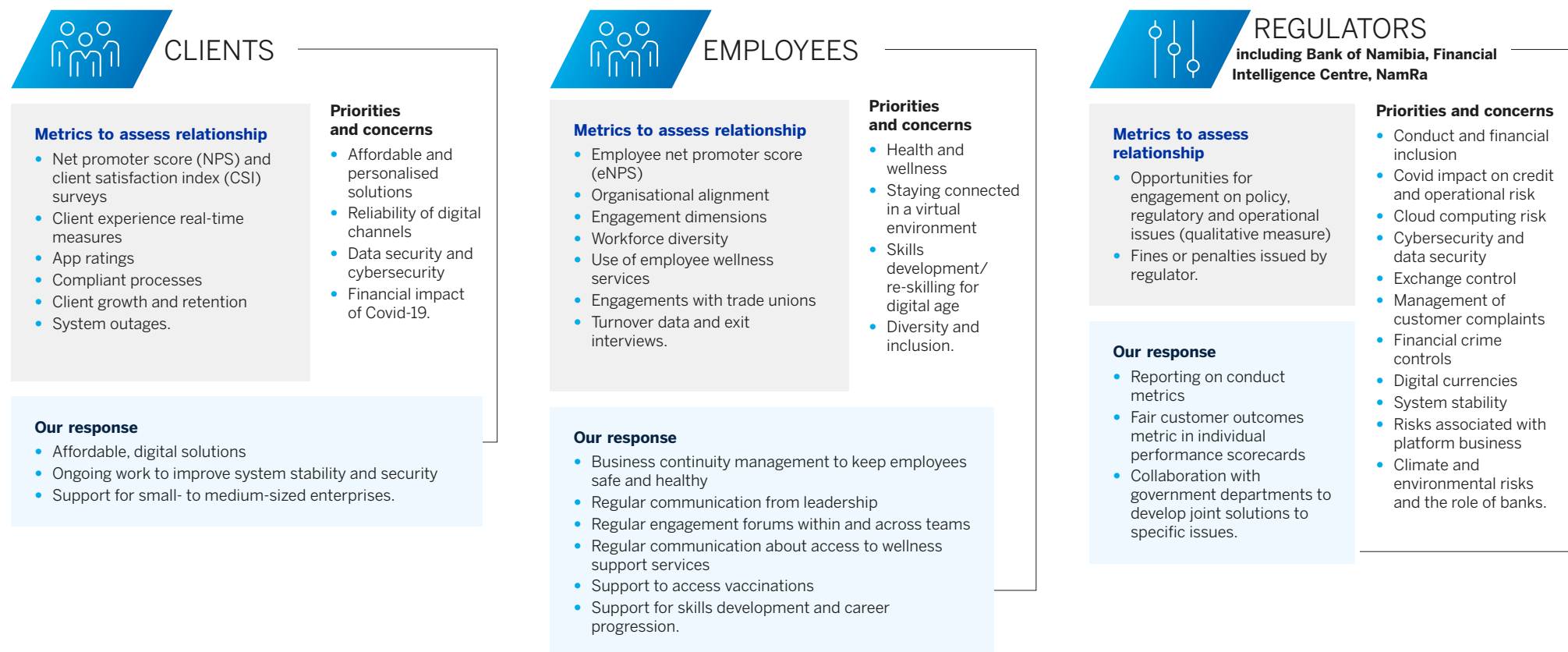
Balancing the national need for affordable energy with climate considerations and the need to reduce the country's dependence on imported electricity.

The following is a synopsis of the **main highlights**:

- Significant year-on-year reduction in headline earnings
- % growth is a concern and significant negative growth is recorded in some business lines
- Number of IT critical and high incidents is a concern.
- There are no overdue audit findings.
- Staff attrition is up mainly as a result of the voluntary employee separation (VES) exercise
- Employee engagement results overall show a negative trend.

## Our stakeholder priorities in 2021

Our stakeholders are the individuals, groups and organisations that materially affect or could be materially affected by our business activities, products, services and performance.





## SHAREHOLDERS AND INVESTORS

### Metrics to assess relationship

- Shareholder value created, including ROE, earnings growth, net asset value growth and dividends
- Investor and other market participant feedback.

### Our response

- Engagements on ESG and climate issues
- Development of climate strategy and targets
- Reporting investor issues to executives and board.

### Priorities and concerns

- Competitiveness of the group's offering and ability to grow the franchise
- Access to appropriate skills and talent, and availability of specialised knowledge and skills
- Governance, ethics, market conduct and internal controls and associated reputational impact
- System stability and value creation from digitisation
- Revenue and credit trajectory post the pandemic and ability to deliver efficiency targets while investing in growth
- Approach to environmental and social policy development and implementation plans, and transparency on climate risks and exposures
- Sustainable finance solutions.



## COMMUNITIES

### Priorities and concerns

- Our role in driving economic recover
- Social and environmental impacts of our business activities, particularly fossil fuel projects.

### Our response

- Active involvement in addressing the housing shortfall and in the development of alternative building material.

### Issues material to society

While our issues material to society evolve over time, the broad themes tend to be relatively stable.

### Material issues:

- Client value through competitive digital platforms
- Fair outcomes for clients, support for clients in difficult times
- Integrity of data and information assets
- Stability, security and speed of IT systems
- Third-party risk as we transform to a platform and ecosystems business
- Risk across geographies with different regulatory and institutional frameworks
- Effective business continuity
- Sustainable value to shareholders
- ESG risk management and delivery of positive social and environmental impacts, with particular focus on climate impacts
- Diversity and inclusion
- Future-fit skills
- Employee health and wellbeing
- Employees' sense of connection and motivation.



## Engagement with regulators, civil society and industry

We participate in local business and industry forums and engage with civil society organisations with a focus on understanding our social and environmental impacts and stakeholder concerns and expectations.

### Engaging our regulators

The financial services sector is a highly regulated industry, subject to a host of local and international measures that cover issues ranging from the maintenance of liquidity to the administration of individual client affairs. We align with SBG policies in our dealings with regulatory bodies.

We support the role of regulators whose intention is to create an environment in which clients and financial institutions are safeguarded. As a leading Namibian financial institution, we are committed to working closely with regulators to ensure that regulations do not have any unintended consequences or burdens that make their application difficult to sustain. We work to ensure that regulators understand the impact of their requirements on our clients, our employees and our business.

Compliance with regulations is not negotiable, and failure to act on them can result in the imposition of punitive fines and reputational loss and reduced market share. Responsibility for compliance rests with the board, which delegates the function to management overseeing measures as they are implemented. Typically, as a regulation is adopted, it moves from the compliance unit to the relevant areas

within the group where policies or operations have to be adjusted to meet the regulations involved. Oversight of compliance risk management is delegated to the board audit committee, to which the compliance unit reports every quarter.

All non-compliant areas are identified, and interactions with regulators are discussed. When required, material regulatory issues are referred to the board risk committee, which informs the board of new legislation that may affect the group.

Compliance training is mandatory. Employee conduct across three broad areas (personal, business and client conduct) is facilitated through comprehensive modules that cover ethics, conflicts of interest and outside business interests, personal account trading, data privacy, treating customers fairly and the receipt of gifts are delivered online and through personal interaction across the group.

Because of the continuing Covid pandemic, the process of employee training specific to the Covid-19 pandemic continued. This training covered protocols required within offices and set out who could work from home and bank expectations regarding all facets of operation during lockdown and quarantine periods.

### Engaging with civil society organisations

We follow SBG policy in our dealings with civil society organisations. As a signatory to the UN's Principles for Responsible Banking (PRB), SBG was part of an independent assessment that noted several areas for improving engagement on the PRB process.

#### These include the need for:

- An increased holistic focus on impacts, including human rights, equality and biodiversity impact, and recognising the interlinkages between them
- Clear, ambitious and measurable targets, linked to specific sustainable development goals (SDGs) or other goals that are underpinned by key performance indicators (KPIs) and milestones to track progress against targets
- Effective grievance mechanisms and remedial procedures, especially for groups such as indigenous people and human rights defenders
- Assessment of impacts to include supply and value chains.

**SBN recognises the relevance and value of these recommendations and is working toward addressing them across our business in collaboration with the broader SBG group, and working with our stakeholders.**

## Participation in industry and trade associations

We participate in a variety of industry bodies and trade associations. In the formal business sector, we leverage our Chamber of Commerce memberships across the country to keep us at the cutting edge of local business matters, build relationships and offer product and service information to other members. Standard Bank Namibia Limited is a member of the Bankers Association of Namibia, an industry association that advocates the views of its members on legislation, regulation and other issues of shared interest. The bank is a member of various sub-committees of this association through which the views and contributions of its members are canvassed.

At a national level, we are active members of the Namibia Chamber of Commerce and Industry (NCCI), which has about 2 500 members drawn from all Namibian business spheres. We attend regional and local NCCI meetings and, where we can, contribute to discussions and formulate answers to national and regional business concerns and issues.

We also participate in building strategies surrounding business issues that include access to information and finance, lack of infrastructure, access to markets, technology, and development of business opportunities.

Organisation	Priority issues in 2021
Namibia Chamber of Commerce and Industry (NCCI)	<ul style="list-style-type: none"> <li>Fair and transparent interaction with the customer</li> </ul>
Development Bank of Namibia and NASRIA	<ul style="list-style-type: none"> <li>Credit Guarantee Scheme</li> </ul>
UN Development Program with Environmental Investment Fund of Namibia	<ul style="list-style-type: none"> <li>Partnership Grant and Match Financing Scheme – so far created 87 jobs</li> </ul>
Bank of Namibia and Bankers Association of Namibia	<ul style="list-style-type: none"> <li>Zero rated Loan Scheme – no uptake yet</li> </ul>
Economist	<ul style="list-style-type: none"> <li>Partnered 12-month webinar series partner</li> </ul>

**At SBN Holdings**, we align ourselves with the SBG and their involvement in several voluntary global standards and frameworks regarding responsible business practice, including the UN PRB, the Equator Principles, the UN Women He4She initiative, and the UN Women Empowerment Principles. As co-chair of the UN PRB Banking Board, SBG oversees implementation of the Equator Principles and is working with other banks to develop impact measurement tools and methodologies that all signatory banks will be able to use.

## Namibian Financial Sector Charter


Standard Bank Namibia understands and operates on the basis that sound governance practices are fundamental to earning the trust of stakeholders. Their trust is fundamental to sustaining performance and preserving shareholder value.

The board commits itself to upholding the fundamental tenets of governance, including discipline, independence, responsibility, fairness, social responsibility, transparency and accountability of all directors to stakeholders.

The board embraces relevant international and local best practice, the NamCode principles and the NFSC, which inform SBN's governance framework and practices.

### Principles of the NFSC

The guiding principles of the NFSC are to:

- 
- Achieve **real broad-based transformation** of the Namibian financial sector
  - Promote **equal opportunity**
  - Make provision for **financial literacy and consumer education** initiatives split into four spheres, namely:
    - Broad-based
    - Private
    - Institutional
    - Financial
  - Promote **'Namibianisation'** through local decision-making or primary listing of a local subsidiary on the Namibian Stock Exchange
  - Ensure **high standards of corporate governance**
  - Be **sustainable and measurable**
  - Incorporate **regional initiatives**, specifically those of the SADC

## Real transformation

The NFSC, which the Ministry of Finance introduced in November 2008, gave statutory endorsement to the sector's transformation. It seeks through its provisions to act as a mechanism to encourage voluntary adoption of principles that assisted with the transformation of banks and empowerment of Namibians in the financial services industry and, thereby, also bring tangible benefits to citizens.

### Real transformation requires real investment

To accomplish real transformation requires that an institution makes a substantial investment in ensuring that the people across the organisation are equipped with the skills necessary to meet customers' demands. This is especially the case in the financial services sector, which is becoming increasingly technical and more reliant on digital innovation.

In 2021, SBN set aside about N\$6.4 million for employee training and development. N\$6.8 million was spent during the year. This original investment was 0.85% of payroll. The target set by NFSC is 2%.

### Broad public and employee participation in the group's prosperity

During 2019, SBN achieved one of the NFSC's milestones, namely the listing of the company on the Namibian Stock Exchange. In the most successful listing yet to be undertaken in the country, the 81 million shares on offer saw N\$722.2 million being raised and Namibians taking up their full allocations.

The listing achieved several objectives. Amongst the most significant were:

- The broadening of Namibian ownership of SBN Holdings so that citizens and institutional investors could participate in the group's equity growth and income streams.
- Extending the BEE ownership of SBN Holdings, and;
- Creating liquidity to unlock value for the Purros Investment Scheme that was created for the participation of about 1 500 staff.
- The allocation of 2% of the shares to a community trust that will help provide funding for education, health and housing for the disadvantaged.

SBN through the **Namibian Bankers Association** is a signatory to the Namibia Financial Services Charter ("the Charter"). Although the NFSC expired on 31 December 2019, the organisation is committed to embedding its principles throughout our operations until such time as a legislative framework around this is put in place. Our compliance is now assessed on an annual basis by the NPPC. Our last assessment was done during August 2021 and the certificate is valid for one (1) year. Our overall level of compliance was scored at 89% and the bank was found to be an Exceptional Equitable Economic Empowerment Level Contributor.

SBN has committed to a 25 % BBEE equity in in accordance with the guidelines of the Charter. During 2016 the Bank transferred 10% of the bank's shareholding from Standard Bank Group to Purros Investments, with 8% of the shares to be allocated to qualifying bank staff and the remaining 2% to community trust to be set up with the objective of contributing to vulnerable communities with a focus on education, health and small enterprise development. A total of 1 237 employees benefited through this allocation. The final step was achieved in 2019 where the remaining 15 % was transferred through the listing of SBN Holdings on the Namibian Stock Exchange.

The Group is comfortable that it has not only complied, but also in most cases by far exceeds the transformation objectives set by the NFSC. We believe that we are **one of the most transformed financial services organisations** in Namibia and are representative at all levels inclusive of Board and senior management of the demographics of Namibia. This is also the case from a gender perspective. The majority of our senior management are Namibian and previously disadvantaged. The majority of our Board is Namibian and previously disadvantaged and control and voting rights vests in the hands of these persons. Our Exco is 92% Namibian.

All our strategies from a procurement, skills development and CSI perspective are geared to meeting the compliance and economic transformational objectives of the Charter.

We will continue to ensure sustainable management of our business as a responsible corporate citizen and as the oldest bank in Namibia.



## Funding of industry/trade associations, political parties and civil society organisations

Membership contributions and charitable donations on behalf of SBN may only be offered or given in accordance with the principles set out in various SBG policies and/or guidelines relevant to the offering or giving of such payments.

**SBG has guidelines in place that govern the provision of funding to specific categories of external stakeholders, as summarised below.**

Stakeholder category	Funding guidelines	Funding provided in 2021
Trade associations	<ul style="list-style-type: none"> <li>Trade associations are the primary vehicle through which we work to influence the regulatory environment in which we operate and we are active members of the Bankers Association of Namibia, Namclear and PAN, and also engage in broader industry workgroups as needed.</li> </ul>	Approx. total contributions Namibia <b>N\$21 517 663</b>
Namibian political parties	<ul style="list-style-type: none"> <li>Requests for funding of, or decisions to fund, any political party are referred to the Head: people and culture, who is the chief ethics officer.</li> <li>We do not fund political parties.</li> </ul>	We made <b>no financial contributions</b> to political parties in 2021.
Sponsorships	<ul style="list-style-type: none"> <li>The SBG sponsorship policy governs all sponsorships undertaken.</li> <li>We define sponsorship as a commercially viable investment of cash, product or in-kind support with a rights holder, for which SBN receives quantifiable commercial rights in return.</li> <li>Due diligence is carried out on rights holders prior to contracting, to ensure entities are of impeccable integrity and are reputationally sound.</li> </ul>	<b>N\$4.9 million</b>





# ESG risk governance

Our sustainability strategy aligns with our purpose Namibia is our home, we drive her growth, and that of the broader SBG Africa is our home, we drive her growth, thereby driving inclusive and sustainable economic growth in Namibia and across Africa. We achieve this purpose by upholding high standards of corporate governance, advancing the principles and practices of sustainable development, and supplying products and services that meet Namibia's development needs.

It is within the Namibian governance framework, particularly the NFSC introduced by the Ministry of Finance in November 2008, the Corporate Governance Code for Namibia (Namcode), as well as the broader SBG ESG policies and procedures that we position this report.

Our **sustainability strategy**, as approved by the board, is based on these **two pillars**:

**Achieving positive SEE impact** linked to the UN SDGs, focusing on our SEE impact areas linked to our core business activities: education, health, entrepreneurship development and community upliftment.

**Upholding good ESG practices**, doing business in a way that minimises harm to others and meets our responsibilities as a responsible corporate citizen.

We operate in a constantly changing environment with high ESG risks. Standard Bank Namibia's approach to ESG risk management is guided by global frameworks and standards, regulatory requirements in Namibia, SBG's code of ethics and conduct, and the expectations and priorities of our stakeholders.

We are satisfied with our strides in digitising our service offerings across our client segments and business areas. However, we are also aware that an increase in digital transactions is inevitably accompanied by an increase in cyber and information risk. We continue to strengthen our processes and controls in this area.

# Ethics and organisational integrity

## Our code of ethics and conduct

The SBG code of ethics and conduct, which has been adopted and embedded by SBN, empowers employees and enables effective decision-making at all levels of the business according to defined ethical principles while committing us to the highest standards of responsible business practices.

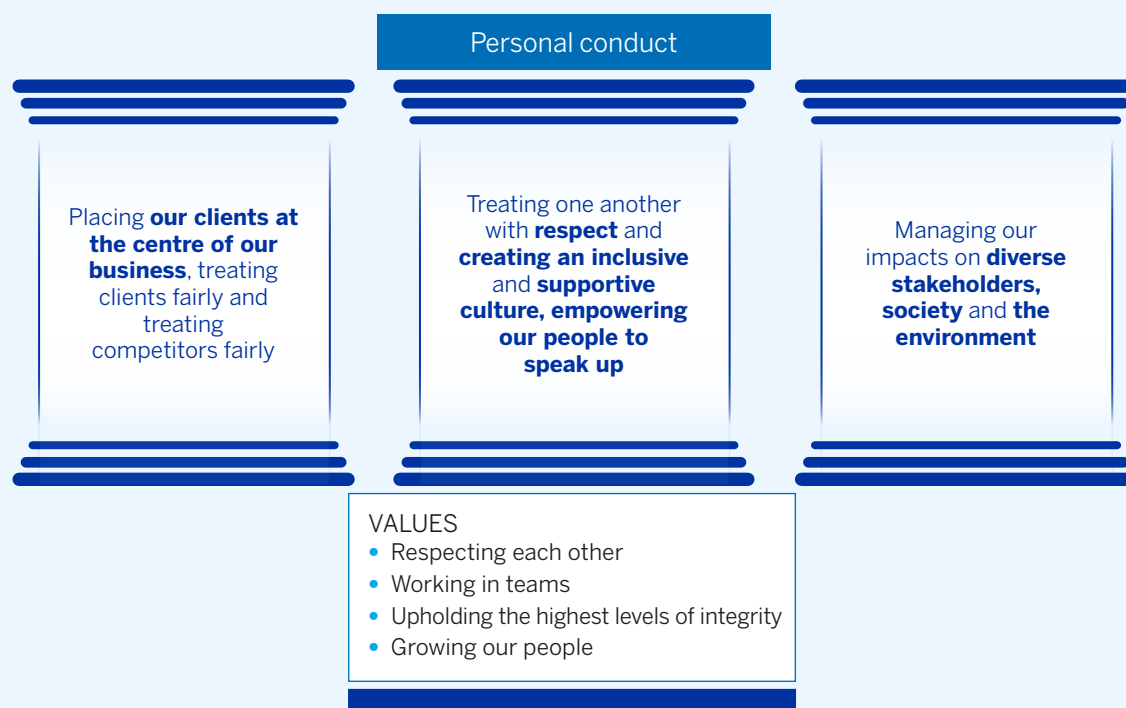
The code interprets and defines SBG's values in detail and provides value-based decision-making principles to guide its conduct. It aligns with other SBN Holdings policies and procedures and supports relevant industry regulations and laws. The code specifies

acceptable and unacceptable practices and assists in clearly identifying ethical infringements by promoting awareness of and sensitivity to ethical issues.

## Business conduct

In line with the SBG code of ethics and conduct, ethical practices and principles are embedded in SBN's culture, decision-making and policies. All our employees, service providers and representatives are required to execute their functions ethically.

The chief executive and the Head: people and culture, who is the ethics officer, are the formal custodians of the code of ethics and conduct, and ensure compliance with conduct risk policy, managing business conduct, identifying associated risks, reporting according to conduct dashboards, and escalating concerns as appropriate.



## Conduct risk

was elevated in 2021, as over 64% of our workforce continued to work from home. It nonetheless remained within risk appetite. **No material or emergent conduct risks**, product or service-related issues were identified during the year.

All employees complete **mandatory online conduct training**. The training uses case studies and includes practical scenarios designed to deepen employee understanding of our desired values and what good conduct means in practice by exploring and discussing judgement and decision-making. Employees are also encouraged to participate in online training seminars on ethics and conduct. We also hold regular compliance interactions with a broader audience across the bank. Topics discussed include anti-bribery and corruption, anti-money laundering and combating financing of terrorism, conflicts of interest and risk-based approaches to compliance documented in compliance policies.

# Responding to client complaints

Standard Bank Namibia's strict internal compliance policy ensures that all customer information remains confidential. All employees must sign a confidentiality agreement, and an annual review of procedures is undertaken.

The Customer Care Centre (CCC) contact number and email address allows customers to make complaints and seek resolution at no cost to themselves. Complaint recording registers are available in branches for customers to confidentially comment on the service they receive from the bank.

We launched a query and complaints management system in November 2021 to enable the effective recording, management, resolution and reporting on all queries and complaints raised in the different POR's. Client are provided with a case reference number making it easier for clients to be kept informed on the status of their query and complaint. Clients are also allowed an opportunity to provide feedback via e-mail on their experience in the resolution of their query and/or complaint.

The establishment of the monthly Customer Service Forum focus on the voice of the customer. We discuss the bank's top customers and customer feedback on our processes and services to see how we can further enhance our relationship with our customers. Representatives include Client Segments, Customer Experience Team, Customer Contact Centre Team and Credit.

Private, Prestige and Achiever customers form part of the customer focus base, allowing us to obtain feedback on the current customer value propositions. Unfortunately, in 2021, the Covid pandemic saw these face-to-face sessions being suspended. Electronic customer surveys were introduced at branches to encourage customers to provide feedback. We share this information with the Customer Service Forum for product and service improvements.

We have introduced a queue management system at 94% of our key points of representation identified in our branch network. We aim to have this 100% concluded by March 2022. Clients are serviced once they have selected a ticket at the kiosk. This system allows us to track, monitor and effectively manage waiting and servicing times of our clients coming into the branches, ensuring enhanced client experience across the branch network.

Ombud data indicates that SBN Holdings received 689 complaints for both absolute and a normalised number of complaints in 2021.

## Customer centricity

### NPS score

8/10 (CIB)

16/100 (CHNW and BCC)

against a performance metric of achieving and maintaining an internal and external customer satisfaction rating of 9, showing a positive upwards trend.

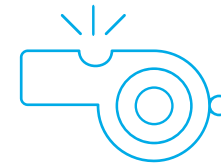
# Reporting concerns and whistleblowing

## Critical concerns

A concern was raised relating to the non-performing loan book and a breach of risk appetite. The concern was addressed through active monitoring by focusing on the four largest accounts in BCC and addressed the bulk of the non-performing loan book (88%) and by working closely with BS&R and legal to speedily resolve.

The inflow of new accounts into the non-performing loan book was controlled and, where applicable, consideration was given to the securitisation and buy-in of quality assets where applicable.

SBG was involved in addressing the concern and developing new resolutions for specific customers and determining SBN risk appetite and focus areas.



## Disclosures

In 2021, six disclosures were made to the whistleblowing hotline. The majority of the concerns were related to non-compliance with policies and procedures, misconduct, theft and fraud. Total number of cases registered – was 32. There were nine cases which were found to be unfounded or false positives. Following investigations, seven employees were dismissed from the group. There were 17 other sanctions that were administered against employees following investigations.

# Information security, data privacy and cybersecurity



Our ability to do business depends on the integrity of our data and information assets and the protection of client privacy. Under no circumstances may confidential or sensitive information be shared with unauthorised people or competitors.

## Governance of information and cyber risk

Specific responsibilities are assigned to committees and areas of business.

### In 2021

we had 8 critical IT incidents and 106 high IT incidents.

## Employee responsibilities

All employees are required to:

- Protect information and comply with relevant policies, including the information risk management policy, acceptable use of information assets policy, cyber resilience standard and group privacy statement
- Complete mandatory compliance training on policies, including regular information security and cybersecurity awareness training
- Use information assets, including mobile devices, appropriately and responsibly, and report security violations and non-compliance
- Confirm that they have read and understood the acceptable use of information assets policy and other applicable policies every time they log in to their Standard Bank computer. Attestation includes confirmation that non-compliance with group policies may result in disciplinary action, including termination of employment.
- Report any information risk or cybersecurity concerns.

## Validation and audit

Internal audit conducts data privacy related reviews annually to test security and vulnerability of systems and processes affecting user data. In 2021, a combined assurance review against the data privacy operating standard was performed within SBN. The findings were shared with the relevant stakeholders and are being actioned and monitored.

## Protection of client privacy

The right to privacy is enshrined in the Constitution of Namibia. However, currently Namibia does not have a data protection and privacy law such as POPIA. The Namibian government is working on a bill that will provide for an enforceable right to access to information.

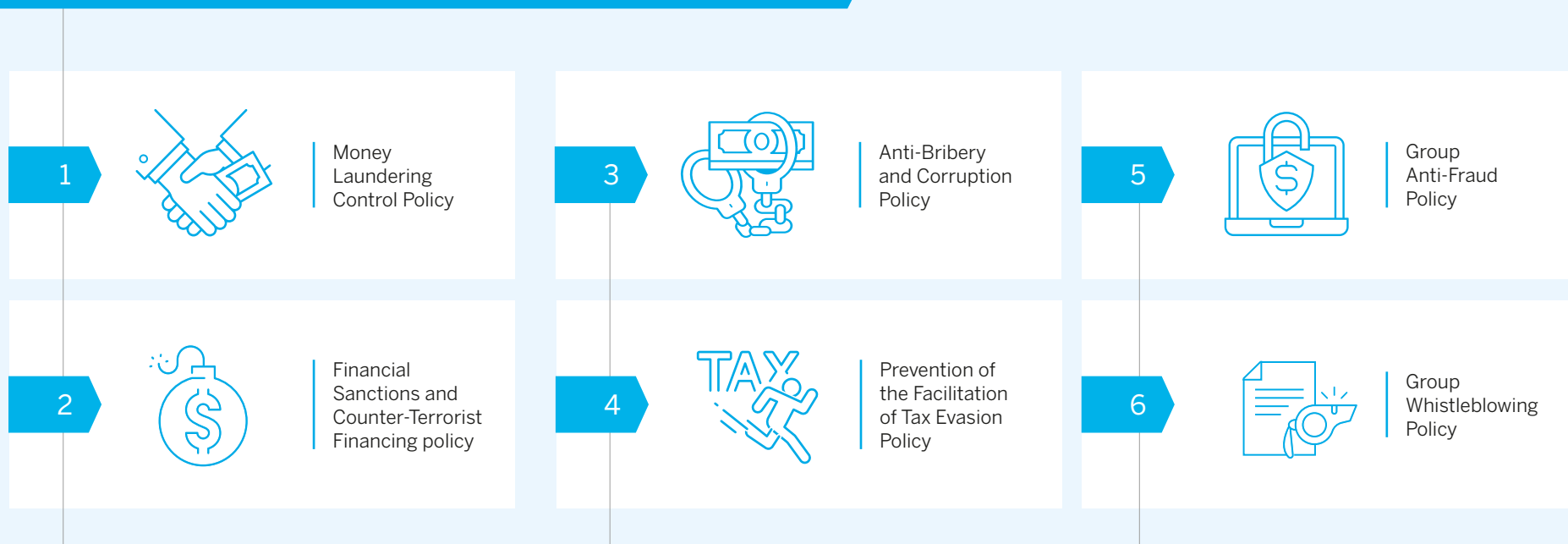
A key element of our service is the protection of clients' confidential personal information. We are committed to implementing good information risk management and data protection practices and protocols. This commitment is underpinned by our information risk policy which outlines the key principles on the protection of information. We apply strict confidentiality guidelines across the organisation and insist that all employees sign an attestation that they have familiarised with our information risk policies.

# Combating financial crime

SBN has adopted and follows SBG's programmes to combat financial crime, designed and managed by SBG's group anti-financial crime (GAFC) team.

The functions of GAFC include oversight of the measures in respect of anti-money laundering, counter-terrorist financing, anti-bribery and corruption, and fraud risk advisory services.

SBG policies and frameworks to combat financial crime include:





## Anti-money laundering and combating the financing of terrorism

Namibia has a comprehensive money laundering legislative framework which includes legislation to combat money laundering and organised crime. Standard Bank Namibia supports the international efforts to combat money laundering and terrorist funding.

**Our KYC compliance is 98.79%**



We have a money laundering control officer who ensures that we adhere to regulatory requirements and internal control mechanisms implemented across the organisation.

Standard Bank Namibia has monitoring programmes designed to Identify, mitigate and manage anti-money laundering practices and to enhance our ability to detect and report suspicious activities.

Employees are required to attend to special anti-money laundering and terrorist financing control training. This training is compulsory for employees who are most likely to deal with high-value transactions that could be obtained for questionable and suspicious sources. In addition to this, awareness is maintained through mandatory online training and regular communication to create awareness on financial crime and money laundering.

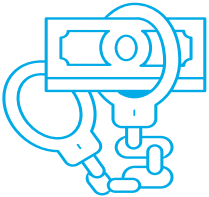
Standard Bank Namibia has various policies on business and personal conduct that govern the combating, reporting and managing of risk associate with financial crime including the following areas:

- Fraud
- Prevention of the facilitation of tax evasion
- Anti-money laundering
- Corruption and bribery
- Conflicts of interest

Through SBG, SBN is involved in the United for Wildlife IWT Learning Academy as a participant in discussions on the illegal wildlife trade (IWT) from a financial crime perspective. It is essential that we are vigilant to the risks related to IWT, particularly the flow of funds derived from or used to promote such activities. We keep employees updated through regular communications to raise awareness on how financial products can be abused to hide the origins of the proceeds of crime generated by such activities.

The SBN board risk committee tracks financial crime compliance-related **fines and penalties** issued against the group to assist us in identifying problems areas that need attention and implementing appropriate remedial action. We track the outcomes of regulatory inspections and interactions to ensure that required enhancements to our compliance management and control frameworks are implemented.





## Anti-bribery and corruption (ABC)

We are committed to conducting business in accordance with the highest ethical standards and all forms of bribery and corruption are prohibited.

We adhere to international protocols and practices on combating corruption and various other criminal and unethical conduct such as fraud and money laundering.

All employees receive general awareness training and must confirm that they understand the contents of the ABC policy. Areas of the bank that are perceived as being more susceptible to the risk of bribery and corruption receive specialised training.

Contractors and suppliers must understand and agree to our corruption risk assessment processes, and risk-based due diligence is conducted before appointments of third parties are made. Specific contractual clauses regulate adherence to relevant anti-corruption legislation by third parties of the group and provide the group with remedies to prevent and detect non-compliance with ABC-related contractual provisions.

We regularly conduct periodic ABC risk assessments and focus on areas that are perceived to be a higher risk from a bribery and corruption perspective. The outcomes of this risk assessment (which includes the action plan detailing areas and controls that need enhancement) are shared with the relevant board committees.

Standard Bank Namibia has not been subjected to any kind of legislative or regulatory sanction for ABC infringements during the last five years.



## Prevention of the facilitation of tax evasion

We have a zero-tolerance approach to tax evasion and the enablement of tax evasion.

The SBG **prevention of the facilitation of tax evasion policy** ensures that reasonable procedures to prevent the facilitation of tax evasion are in place. All employees receive prevention of the facilitation of tax evasion training. Areas of the bank that are perceived as being more susceptible to the risk of facilitation of tax evasion receive specialised training. We also raise awareness of our facilitation of tax evasion policy and processes with our clients, suppliers and service providers through explicit communication and relevant agreements.

Employees are required to identify transactions identified as a higher risk for tax evasion and refer these to the compliance function and SBN tax function for consideration.

Employees are further required to report suspicion of the facilitation of tax evasion to the SBG group fraud investigations team directly or through the whistleblowing hotline. Concerns can also be reported anonymously by using the whistleblowing hotline. Employees are also required to file a suspicious or unusual transaction report (STR) or suspicious activity report (SAR) where tax evasion or the facilitation of tax evasion is suspected or identified. Allegations of facilitation of tax evasion are investigated, and, where necessary, findings are actioned.



## Combating fraud

Fraud is defined as the unlawful and intentional misrepresentation committed to secure an unfair or unlawful gain. Fraud includes, but is not limited to, application fraud, card fraud, procurement fraud, employee fraud, digital fraud, insurance fraud and transaction fraud. Standard Bank Namibia has well-developed measures to mitigate fraud risk and continually improves these measures.

## Market abuse control framework



We seek to maintain the highest standards of professional conduct when undertaking financial market transactions, communicating with market participants, and handling confidential information.

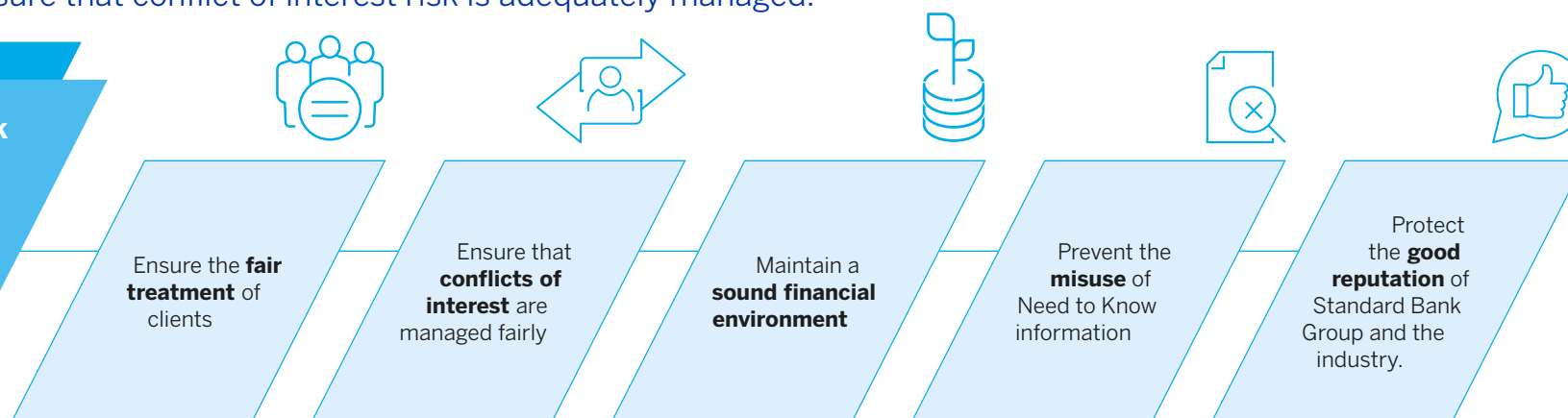
Standard Bank Namibia follows the SBG market abuse control framework, which aims to ensure that all employees support the orderly, fair and transparent functioning of the financial markets, encourage its integrity, and enhance financial stability in the markets within which we operate.

The framework seeks to ensure adequate and effective controls to prevent, manage and mitigate market abuse risk.

## Managing conflicts of interest

Standard Bank Namibia aligns with SBG's robust and stringent conflicts of interest control framework to ensure that conflict of interest risk is adequately managed.

The **framework** provides for processes, procedures and mechanisms to identify, prevent and manage conflicts of interest to:



All employees must comply with applicable statutory and regulatory obligations. They must ensure reasonable steps have been taken to prevent or reasonably manage potential conflicts of interest and mitigate the effect of such conflicts on clients and the bank.

The policy stipulates the minimum requirements needed to prevent conflicts of interest from creating or giving rise to a material risk of damage to the interests of our clients. All employees, consultants, contractors, suppliers, other associated persons, and third parties are required to act with integrity and manage all conflicts of interest reasonably.

## Procurement and third-party contracting

At SBN, our procurement policy is based on our commitment to driving Namibia's growth. It guides the sourcing and selection of suppliers and ensures that procurement processes are conducted in line with sound corporate governance principles. Our policy aligns with SBG's code of ethics and conduct, and the principles of value optimisation, fair and effective competition, accountability, sustainability and risk management

The procurement department has committed to reach **60% B-BEE spend** as required by the NFSC.

The total procurement budget for 2021 is **N\$398 117 618 for third party operating expenses** and **N\$366 974 347 for capital expenditure**.

Total Procurement B-BEE spend for 2021 is about **N\$508.1 million**.

The procurement department is putting measures in place to meet the target of **60%** set for spend with **B-BEE local suppliers**

**Continuous of alignment** of the bank with the targets set in the NFSC.

**Skills transfer** through the establishment of joint ventures or sub-contracting with B-BEE companies is encouraged.

On request a short payment cycle may be implemented to **assist B-BEE vendors with cash flow**.

# Managing our environmental social and climate risks

Environmental and social risk refers to the threat of adverse impacts on society and the natural environment arising from our business activities. Such impacts may include, for example, the production of greenhouse gas (GHG) emissions and associated impacts on climate change, waste production, resource depletion, or risks to community members' health, livelihoods, and cultural heritage.

Environmental and social risks create potential credit risk, operational risk, business risk and reputational risk. SBN Holdings has adopted and follows the SBG policy regarding the governance of E&S risk and the group E&S risk policy. Please see the [SBG ESG report](#) for more details.

## Proactive measuring and assessing environmental and social risks

Where possible, SBN adheres to internationally accepted standards for evaluating and rating ecological and social risks that may accompany projects. Besides considering biodiversity requirements, human rights issues include using child labour, compulsory labour, and race or gender discrimination are also regarded as part of social risk assessments.

Internationally acknowledged assessment mechanisms that we follow include Compliance with the Equator Principles.

As SBG is a member of the Equator Principles Association, a global risk management framework for determining, assessing and managing environmental and social risk in project related transactions, SBN follows the Equator Principles' minimum standards for due diligence and monitoring to support responsible decision-making in project financing. When we lend or provide advisory services to a project, we evaluate to actively avoid and mitigate any negative social or environmental impacts.

In 2021

we had no projects financed in terms of the Equator Principles.



# Managing climate risks and opportunities

Despite contributing a tiny percentage of global emissions, Africa is being disproportionately negatively impacted by climate change. Namibia faces a significantly increased risk of drought and floods, declining mean precipitation in already-dry regions, inundation of coastal zones and deltas, lower crop yields, and loss of biodiversity, affecting public health, labour productivity, and food production, and increasing instability and migration.

We actively support Namibia's transition to a low-carbon economy, support efforts to mitigate the impact of climate change, and improve access to reliable and sustainable energy sources, a critical factor in Namibia's economic growth and poverty alleviation. We will endeavour to partner with clients and stakeholders to support their climate transitions and national climate commitments.

## Our direct emissions

Our impact on the environment, including greenhouse gas emissions, is primarily indirect, driven by the businesses and projects for which we provide finance. Our direct impacts arise mainly from energy use at our head office, branches and other buildings in Namibia and, to a lesser extent, from water use, waste generation at these buildings and employee travel.

We are committed to reducing these impacts in Namibia.

We are currently collecting data manually at key SBN facilities to enable us to model a baseline against which we will set targets and monitor progress.



As part of SBN's alignment with SBG, we have begun gathering data for many of our operational footprint metrics. We are starting share our information with SBG who is helping set targets. To set targets, data must be collected for an extended period to identify a trend. This is currently still work-in-progress in Namibia.

This year, we are not able to provide a GHG emissions inventory containing our scope 1, 2 and 3 emissions. However, SBN is including instances of where we have previously gathered data.

Energy	2021	2020
Consumption (MWh)*	<b>884.4</b>	571.6
Total non-renewable energy consumption (MWh)*	<b>641.8</b>	452.8
Energy produced through SBN renewable energy systems (MWh)*	<b>242.6**</b>	118.8

\* Energy consumption stats are for head office only. Gathering data and reporting for the rest of the country started recently.

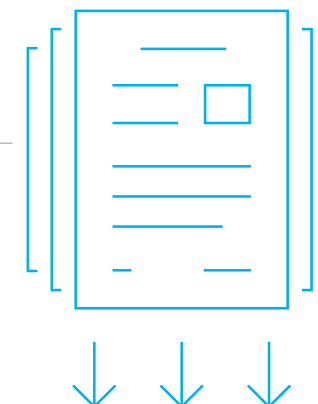
\*\* For six months only.

## Scope 3 emissions

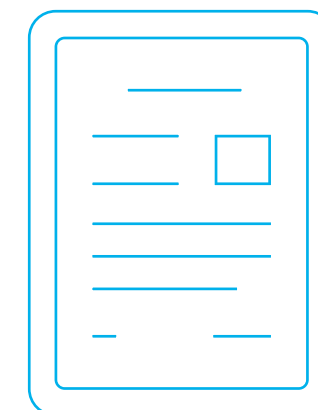
In 2021, 64% of our employees continued to work from home due to the ongoing Covid-19 pandemic. Most of our canteens and restaurants remained closed. Waste production remained low as a result.

Waste (tonnes)	2021	2020
General waste	<b>22 271</b>	24 046
Recyclable waste	<b>12 362</b>	3 856
<b>Total waste</b>	<b>34 632</b>	27 902

Paper	2021	2020	2019
Paper (tonnes)	<b>34.2</b>	29.10	35.6
Paper recycled (tonnes)	<b>32 216.40</b>	27 412.20	33 535.20



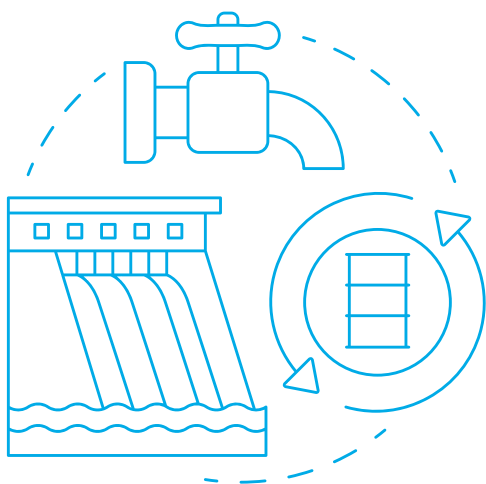
Our paperless branches programme has successfully reduced paper usage. In 2019, we introduced a 'follow me' printing initiative in our offices, significantly reducing office paper usage. We actively encourage our people to be paper-wise when they print.



## Water management

As 64% of our employees continued to work from home owing to the Covid-19 pandemic and water use remains well lower.

Water	2021	2020
Total water consumption (kl) (100% of use of municipal water – other)	12 141.89	24 283.69
Total water consumption (m <sup>3</sup> ) (100% of use of municipal water) – head office	5 569.00	6 356.00



We have put measures in place to ensure that our strategic facilities across Namibia are water efficient, have a reliable source of water when there is an interruption to supply from the municipality and minimise water waste.

Since 2019, we have installed water meters in our strategic facilities to enable accurate monitoring of water usage and benchmarking across locations and against industry benchmarks. In 2020, we identified sites displaying high-use and implemented water efficiency projects, including low-flow bathroom taps and showers. We also identified sites at significant water risk and are in the process of installing backup water storage tanks.

All HVAC systems at our main facilities have been standardised to accommodate air-cooled chillers and reduce our need for water. In some cases, we make use of combination systems like dry adiabatic coolers to achieve a balance between energy efficiency and water conservation.

To further reduce our reliance on municipality water, we have installed a rainwater harvesting system at our head office. We regularly test and monitor the quality of our drinking water.

## Green buildings

All SBN's new buildings are aligned with the Green Building Council of Namibia's (GBCNA) sustainability rules. Our head office in Windhoek has a 5-star Green Star rating and incorporates water saving measures that are constantly monitored and reported. We are working to introduce more efficient energy and water solutions across all our newly built facilities. Most of our commercial office space (excluding branches) use LED lighting.

**We have allocated space for the future installation of electric vehicle charging points. The existing installation is upgradable and has the capacity to supply the required power.**



# Our people

Standard Bank Namibia employs over 1 400 people. We strive to ensure that our people feel connected to and motivated by our purpose and our commitment to our customers to find new ways to make their dreams possible.



	2021	2020	2019	2018
<b>Total number of employees by type of employment contract</b>				
Permanent	<b>1 445</b>	1 549	1 606	1 703
Non-permanent	<b>2</b>	6	14	37
<b>Total number of employees by gender (permanent)</b>				
Male	<b>572</b>	617	644	710
Female	<b>873</b>	938	976	1 030

	Permanent	Non-permanent	Total	Percentage
<b>Total number of employees – gender</b>				
Male	572	1	573	39.6
Female	873	1	874	60.4
	1 445	2	1 447	100.0

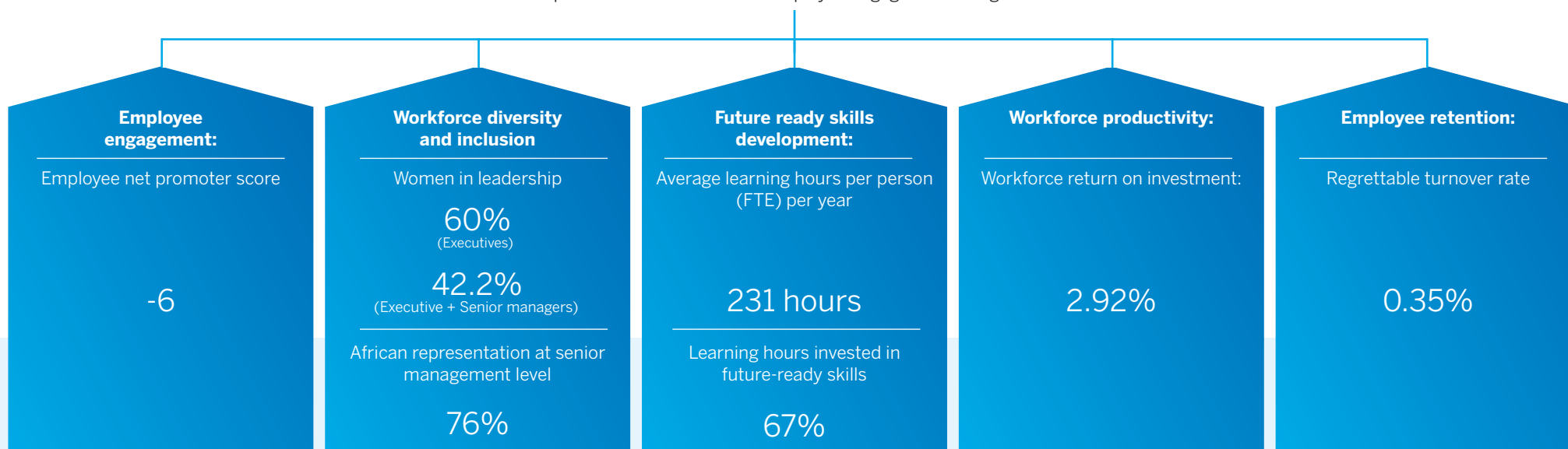


## Future-fit skills

At SBN, we want employees to have long and meaningful careers that are appropriate to the group's future aspirations. We are working with our people to support them as we become a digitised platform service.

Please see our [Report to society](#) for information on our employee training and skills development programmes.

We assess our performance in relation to employee engagement using the metrics below:



## Employee engagement

We use the **Employee Net Promoter Score (eNPS)** as our headline engagement measure. This provides an indication of how likely an employee is to recommend SBN as a good place to work. The score can range from -100 to +100. Our eNPS was -6.

Other key employee engagement measures include:

- **Emotional promoter score** – how employees feel about working at Standard Bank
- **Organisational alignment score** – pride in being associated with Standard Bank and understanding of one's contribution to the group's purpose
- **Engagement dimensions score** – work satisfaction as measured across various dimensions.

These results are obtained through SBG's group-wide annual **Employee Engagement Survey**, which SBN conducts

annually. While individual responses are anonymised, we share the full survey results with employees, executives, and the SBN board. Results are analysed by variables such as geography, business unit, gender, population group, age group, workforce level, performance rating, and whether employees are currently home-based or office/branch-based. We use the results to shape our people plans and future initiatives to continuously improve employees' work environment experience.

As in 2020, SBG also conducted a 'Tell Us How You Are Survey' to assess how employees were feeling and coping in mid-2021. Top themes included appreciation of meaningful work, company brand, compensation and benefits, career growth opportunities, management, values, and culture. This is similar to the results of the previous year.

As was the case in 2020, employees expressed appreciation of how the bank has cared for them during the Covid-19 pandemic. Leader care also increased. However, we did see

an upward trend in stress measures, particularly among employees working from home as some reported negative emotions such as feeling overwhelmed, burned out, stressed, and anxious.

Online meetings were a key factor that employees commented on as a source of stress and anxiety. Step Back Wednesdays was introduced to give employees a more flexible day to get work done, complete online learning, and have brainstorming meetings with colleagues. The feedback from our people has been positive.

We encourage all employees to access wellbeing resources to promote their wellbeing. In 2021, we offered employees opportunities to participate in online wellbeing seminars on: managing burnout and stress, screen fatigue and digital health, creating a virtual culture of care, and managing multiple demands. We also offered training to business units on resilience, proactive resilience measures, managing anxiety and stress, and coping with loss and bereavement.



## Culture and performance

All employees are expected to uphold the group's eight values. Our recruitment, onboarding and training processes are designed to entrench our values, ethics and conduct standards across the group.

Individual and team goals align with the strategic value drivers and associated metrics. These metrics are cascaded through the performance management process. Our people and teams know precisely how their goals and efforts need to translate and contribute to measurable results and value for our clients, partners, colleagues, and broader stakeholders.

Our performance management system is designed to guide our people to perform at their best and recognise them for their contribution. Our remuneration committee governs our remuneration policy and its application and ensures that reward and salary decisions and processes consider and promote desired behaviours and conduct.

Our 'perform to grow' philosophy is based on the principle that regular and constructive performance coaching conversations help drive personal improvement, growth, and business contributions.

In 2021, we implemented a performance management digital solution to support our people in a far more intuitive and agile way. It enables seamless alignment to our business outcomes, and our strategic priority focuses. It achieves this by aligning the goals of our people to the group's priority goals and across all business lines, functions, and geographies within a multi-year goal horizon, while still being able to review deliverables and progress in the current year.

This digital solution makes managing, tracking, measuring, analysing, and reviewing our progress easier and integral to day-to-day business. It also improves managers' effectiveness in engaging our people meaningfully on what matters. It enables us to give continuous feedback and manage multiple teams in real-time. By doing this, we create a culture of openness and continuous learning, where ongoing exchanges between our people and business is constructive and helps shape and build our future-ready workforce.

### Values



Serving our customers



Delivering to our shareholders



Respecting each other



Working in teams



Upholding the highest levels of integrity



Growing our people



Being proactive



Constantly raising the bar



## Health and wellbeing

Keeping our employees safe in the context of the ongoing Covid-19 pandemic remained a critical priority in 2021. Most of our employees continued to work from home throughout the year. We provided regular information, guidance and support for employees as Namibia moved through successive waves of infections and vaccination programmes became available.

In 2021, we focused mainly on providing employees with accurate, science-based information on vaccines, enabling them to make an informed choice about vaccination. Webinars on vaccines and vaccination attracted many participants. We also held information-sharing sessions with individual teams and business areas.

We continued to provide support to manage anxiety and stress and encouraged all employees to attend online sessions about health and wellbeing, building resilience, preventing burnout, and managing work-life balance. The impact of Covid-19 on the mental wellbeing of our employees was evident in an increase in short-term incapacity and temporary incapacity leave. In the top five presenting problems, mental health and Covid-19 issues were second and third, with stress and anxiety dominating mental health problems. In Namibia, our Bankmed data also showed a significant increase in the number of employees accessing services for to support their wellbeing.

We train managers to manage sick absenteeism and appropriately support employees who display psychosocial or other symptoms of health challenges.

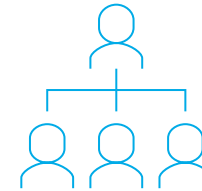
## Workforce diversity and inclusion

We recognise the diversity of our employees as one of our greatest strengths. Through the Bankers Association of Namibia, the group is a signatory to the NFSC. The group is committed to achieving full compliance with the minimum targets set out in the NFSC.

Currently, SBN has committed to a 25% B-BEE equity, which exceeds the NFSC requirements. Women B-BEE beneficiaries board members comprise 33% of the SBN board, higher than the 8% required by the NFSC. The employee empowerment scheme (Purros) is fully vested but still has a debt to be repaid. The board and management track workforce diversity and inclusion at the highest level.

We aim to ensure that all our employees feel valued, empowered and supported to work together to create solutions for our clients and the communities in which we operate.

We regularly engage employees on inclusion, diversity, and equity issues to create a workplace where all employees feel they belong. We recognise that inclusion and belonging cannot be seen as isolated or separate from leadership and culture. We aim to ensure that we embed the concepts of inclusion and belonging across all levels in SBN. Over the past two years, we have successfully used virtual platforms to host webinars and conversations about a range of diversity issues, with high participation rates and positive feedback.



## Workforce planning

We strive to ensure data-driven people decision-making by providing valuable data analytics and insights to our leaders to help them manage and plan for the workforce of today and tomorrow.

Our Meaningful Workforce Insights (MWI) platform allows us to share insights in real-time with our leaders and our people and culture community. The platform informs our decision-making and enables us to plan for the right mix of talent in the right roles at the right time – supporting strategic planning for the future workforce.



## Equal pay

We offer equal pay for work of equal value, ensuring that employees doing similar jobs at the same level are paid equitably.

Following a pilot run in 2019, SBG adopted a multivariate regression analysis methodology for conducting pay equity analysis on the grounds of gender and race. This analysis covers both fixed and variable remuneration. In 2021, the analysis reaffirmed that there are no systematic or entrenched issues and that the balance of gender and race pay distribution across the group has improved. Any gaps are addressed at the annual remuneration review and when promotions occur. We, at SBN, are confident that our approach produces fair outcomes, and we will continue to robustly manage any risk of unconscious bias.



## Gender

As a signatory to the **UN Women Empowerment Principles** (WEPs), SBN formally committed itself to advance gender equality and women empowerment in the workplace, marketplace and community. This has included promoting education, training and professional development for women; implementing enterprise development, supply chain and marketing practices that empower women; promoting equality through community initiatives and advocacy, and measuring and publicly reporting on progress to achieve gender equality.

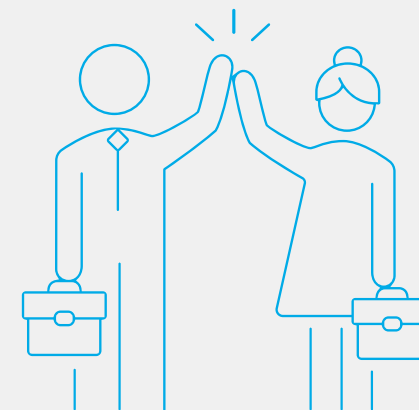
Standard Bank Namibia has a bespoke diversity and inclusion plan, which includes targets for the representation of women at executive levels, together with plans to achieve these targets, focusing on learning and development and creating strong succession pipelines in which women are well represented.

Women comprise **60%** of our employee complement (permanent and non-permanent) and 56% of managers in revenue-generating functions. We are making progress

in increasing the representation of women in senior positions across the group. Measured against the 2021 McKinsey Women in the Workplace Report, SBN has 60% of women in executive management positions and 40% in senior management positions. The table below shows our journey.

### Women in leadership (%)

	Executive management	Senior management	Middle management	Junior management
2021	<b>60%</b>	<b>40%</b>	<b>55%</b>	<b>51%</b>
2020	60%	42%	51%	52%
2019	67%	35%	52%	54%
2018	50%	38%	52%	55%
2017	43%	44%	52%	52%



We aim to support all employees, men and women, to manage the often-conflicting demands of work and home life. This includes offering opportunities for employees to take sabbaticals and extended leave periods under certain circumstances and initiatives to make it easier for women to integrate back into their positions after maternity leave.



## Race

While we have employment equity targets and plans in place in Namibia, as required by the NFSC and Namcode, we see diversity and inclusion as going well beyond numbers and legislative compliance. We continue to improve the position of under-represented groups across all management levels.



As of 31 December 2021

**307**  
managerial staff

There were ten B-BEE beneficiaries in executive management (Exco), representing **76%** of the total executive structure.

exceeding the NFSC target by 51%



There are six B-BEE women beneficiaries representing **46%** of EXCO

exceeding the NFSC target by 36%



Standard Bank Namibia has **58%** representation of B-BEE beneficiaries in junior and middle management (SBG11 – SBG12)

exceeding the NFSC target by 28%.



The bank has a **38%** representation of B-BEE women in junior and middle management,

exceeding the NFSC target by 20%.





## Disability

We have appropriate processes and support systems to assist people with disabilities to perform to their full potential. Our disability strategy ensures that disabled employees have equal opportunities in the workplace, have a safe and accessible workplace, and can maximise their contributions.

Employees can apply for reasonable accommodation to address specific workplace requirements. We raise awareness of disability declaration and reasonable accommodation application processes through internal communications to all employees. While our employees are not obliged to declare disabilities, we actively encourage disclosure to ensure we can provide reasonable accommodation if required.

**In Namibia, we will start developing targets for the representation of persons with disabilities in 2022.**

People with disabilities as a

**0.4%**  
of total employees



## LGBTQI+

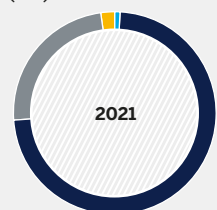
We align ourselves with the SBG policy.



## Age

SBN recognises the value of all aspects of diversity, including age.

EMPLOYEE AGE DISTRIBUTION (%)



● 20 – 25	1
● 26 – 41	73
● 42 – 57	24
● 58 – 69	2

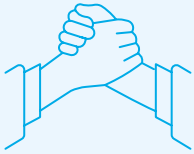


## Discrimination and harassment

Our employees are governed and protected by SBG policies on harassment, sexual harassment and unfair discrimination. These policies establish non-negotiable principles and standards on these issues whilst allowing for in-country adaptations for dealing with complaints. We have a zero-tolerance approach to harassment and unfair discrimination. Employees can report any incidences to their line manager, people and culture representatives, or the group's confidential whistleblowing hotline.

All reported cases are dealt with promptly and respectfully. Victims of abuse are provided with support, and we ensure that they are not in any way prejudiced or disadvantaged as a result of having laid a bona fide complaint. However, we view malicious and frivolous complaints in a serious light. All employees, including all managers, must complete compulsory online sexual harassment training every two years. Unconscious bias training is offered to managers and employees to raise self-awareness and includes tools and strategies to counter potential bias.





## Employee attraction and retention

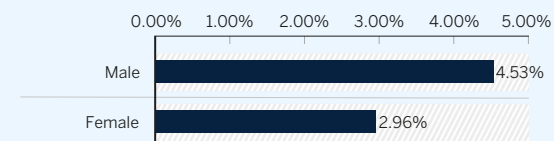
We ensure that we provide an attractive employee value proposition, offering an innovative, flexible environment with a broad range of opportunities for skills development and career progression. We aim to attract people who are passionate about Namibia, are motivated to deliver exceptional client experiences and embrace an innovative mindset to deliver on our future ambitions.

We use tailored talent attraction strategies, employing multiple platforms and channels to attract scarce skills. We have not introduced any hiring freeze due to the Covid pandemic. We ensure that we attract the right skills to enable our business strategy.

Our overall and voluntary turnover compares favourably against global financial industry benchmarks, of 13% and 9% respectively Source: Gartner CEB Global benchmarks: 2019).

Employee turnover (%)	2021	2020	2019	2018
Voluntary turnover rate	<b>3.58</b>	0.32	0.06	0.12
Overall turnover	<b>0.70</b>	0.45	0.18	0.35
Voluntary regrettable turnover	<b>0.35</b>	1.20	1.75	2.11
Voluntary turnover at executive level	<b>20.7</b>	17.0	15.4	0

### VOLUNTARY TURNOVER GROUPED BY GENDER

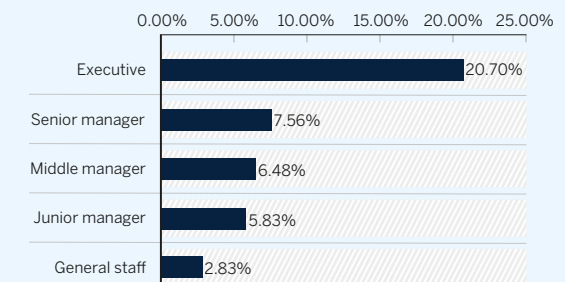


Voluntary Turnover Rate  
● **3.58%**



Voluntary  
turnover  
count  
**54**

### VOLUNTARY TURNOVER BY WORKFORCE LEVEL



Voluntary Turnover Rate  
● **3.58%**

### Health and wellbeing support provided to employees in 2021 included:

- Provision of furniture/chairs to employees on request and if required for medical reasons
- Allowing for various Covid-19 leave categories, including childcare leave assistance during the lockdown and school closures, reasonable accommodation for vulnerable employees, Covid-19 sick leave, and leave to get Covid-19 vaccines.
- Assistance to international assignees to relocate to their home countries before border closures and for vaccination purposes
- Educational talks and support regarding Covid-19
- Relaxed annual leave forfeiture periods, due to employees being unable to take leave during the pandemic.

### Flexible working

Our transition toward a more digitised workplace has been underway for several years. Thanks to our established digital infrastructure, the shift to remote working during the Covid pandemic was achieved with minimal disruption to employees or clients, as minimised their potential exposure to Covid-19. We deployed various digital tools and channels to keep our people engaged, connected and informed. SBN offers flexible working arrangements that are tailored to regulatory frameworks and role requirements.

### Employee Benefits

We aim to enhance our employees' lives with meaningful, personalised benefits that make them feel connected, empowered and recognised. Staying true to our digital transformation strategy, our MyBenefits digital portal delivers an integrated and personalised benefits experience. The platform is available in multiple languages.

## Working conditions

Our employees have the right to enjoy fair and just conditions of work. At SBN, we follow the SBG Employee Relations Governance Framework that provides for constructive employer-employee relationship practices. The framework is founded on international and national regulations and obligations, our values and code of ethics, and our commitment to maintaining and developing fair employment practices in all our countries of operation. The framework provides a general set of employee relations operating principles incorporated into the policies and procedures of group entities as appropriate in their country of operation. It includes our commitment to ensuring, in respect of all our employees:

- Protection of human rights, fair employment practices, and the principles of non-discrimination
- Freedom of association and the freedom not to associate, including the right to collective organisation and representation
- Freedom to express concerns arising in the workplace through established [whistleblowing procedures](#) without fear of retaliation or victimisation
- The right to a [safe and healthy working environment](#) and the expectation of decent work that is productive and delivers a fair income
- Protection against [discrimination in employment and occupation](#) including recognition of the principle of [equal remuneration for work of equal value](#)
- The right to fair labour practices in the employment of employees and throughout the duration of their employment with the group.

The observance of **freedom of association** provides for, among others:

- Recognition of collective organisation for employees to form and join unions of their choice (or the right not to) and to exercise organisational rights (or the right not to) as provided for in terms of relevant laws
- Collective bargaining through representatives of choice to reach agreement on terms and conditions of employment in terms of the relevant laws and country-level agreements
- The structure and form of collective bargaining to be determined by labour market factors within the country and the bank requiring agreement between the bank and recognised unions
- Collective bargaining by custom and agreement is restricted to general employees.

### SBN:

1 122 of our people belong to a trade union. Of our general staff complement of 1 445, 77.6% are recognised by the bank for the purposes of collective bargaining





## Occupational health and safety

**As an employer, we understand that our duty of care places an obligation on us to integrate occupational health and safety management systems as part of our policies and management arrangements at the workplace.**

We are committed to providing a healthy and safe working environment. We comply with all applicable legislation and regulatory and supervisory requirements. The SBG Occupational Health and Safety (OHS) Policy seeks to achieve high standards of care and provide a healthy and safe workplace for employees, contractors, clients, visitors, and other relevant persons.

Any risks to the health and safety of employees and stakeholders resulting from hazards in the workplace

or potential exposure to an occupational illness, as well as the group's exposure to the risk of impacting directly on the environment through our business, are managed by the health, safety, and environmental risk management team supported by executive management accountability structures. The safety, health and environment risk team work closely with SBG's real estate services to direct environmental impact.

All buildings occupied by SBN are covered by SBG's OHS Programme. We comply with national OHS standards and legal requirements or SBG's minimum standards, whichever is more stringent. Effective OHS practices protect against the direct costs of health and safety violations and minimise legal, regulatory and reputational

risks while simultaneously ensuring shareholder value by looking after our biggest asset, our people.

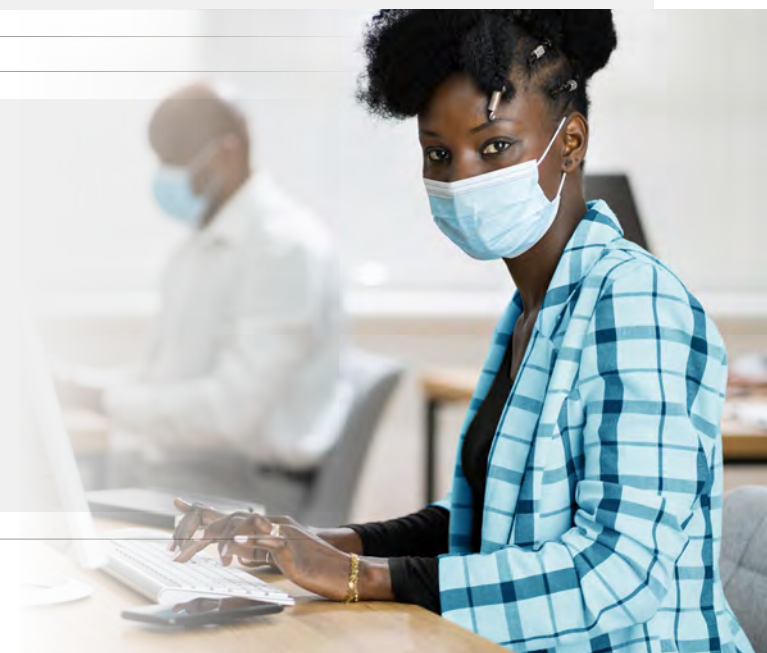
We empower employees with appropriate knowledge and training to help them perform their health and safety responsibilities. We also provide our service providers and contractors with information on their health and safety responsibilities and how their activities may impact the group's operations. Regular support visits are conducted to ensure alignment across all our operations. The visits contribute towards creating a positive health and safety culture, while preventing, minimising and managing health and safety risks, working closely with all the relevant stakeholders.



## Protecting our employees during the pandemic

Standard Bank Namibia continued to manage its Covid-19 compliance requirements and communications in 2021. Actions in 2021 included a formal SBN Covid-19 risk assessment, supported by external occupational hygienists, and ongoing detailed risk assessments at various sites to test preparedness and effectiveness

of Covid-19 prevention protocols, identify risks and assess our control measures. We continued to ensure that OHS structures remain updated on all relevant developments and requirements.



# Corporate social investment

Our CSI strategy focuses on four sustainable impact areas: education, health, entrepreneurship development, and community upliftment, and it works on a matrix basis with our SEE impact area.

## Our CSI framework incorporates:

- Strategic projects/community upliftment investments, in which we contract with NGO partners to undertake longer-term interventions in line with our three selected impact areas
  - N\$2 million in 2021, on the flagship Buy-a-Brick programme.
  - N\$42.1 million MycoHAB project, in collaboration with SBG.
- Charitable donations on an ad hoc and responsive basis, including disaster relief and humanitarian relief.
- Employee contributions include employee donations and volunteering time and skills to community outreach projects and disaster/humanitarian relief. We encourage employees to get involved in meaningful, sustainable volunteer work in the communities in which we operate and recognise the positive effect on employee engagement and team cohesion, and consequently productivity, of such activities. We work with the NGOs we support to structure appropriate volunteering opportunities for our employees.

We are responsible for developing our CSI programmes within this framework. In all cases, we work closely with government departments and other social partners to understand priority needs at the national and local level, and partner with local agencies and community organisations to ensure effective and sustainable delivery of our programmes.

## Corporate social investment

The NFSC requires that 0.25% of an institution's profits should be allocated to good causes designed to improve the lives of those Namibians who, through no fault of their own, are socially, economically and educationally disadvantaged.

The group has dedicated 1% of its profits (more than four times that required by the NFSC) to a variety of programmes across Namibia. Many of these programmes and initiatives that help build homes for Namibians, bolster their educations and assist with financial awareness are described elsewhere within this document.

Standard Bank Namibia's CSI programme's strategic focus is presently on making a positive impact in our focus areas of financial inclusion, education, environmental issues and health, wellness and poverty alleviation.

Our total SEE spend for 2021 was N\$7.6 million significantly exceeding that required by the NFSC





# Our approach to tax and sustainable development



## Governance of tax matters

SBN is committed to full compliance with tax laws and full disclosure to tax authorities regarding our statutory obligations.

- **Board responsibility:**

- The board is responsible for the group's tax matters and governance, including oversight of reporting on income, tax expenses, the management of tax risk and setting the group's tax risk profile.
- This responsibility is delegated to the BAC, which is responsible for approving the group's tax strategy and governance standard, which directs our approach to tax matters.

- **Executive responsibility:**

- SBN chief financial officer (CFO) and Group Head of Tax
- The SBG tax governance standard sets out the roles and responsibilities of the tax function and other business and support areas in the group to ensure that corporate governance, compliance and tax risk management requirements are met.
- SBG tax policies are localised and approved at the various subsidiary boards and/or the internal financial control (IFC) committees across the group.
- Specific policies deal with aspects of tax risk such as transfer pricing, indirect taxes, withholding taxes, remuneration-related taxes and client tax reporting.
- Standard operating procedures ensure that our approach to tax is well embedded, and compliance obligations are effectively monitored. These are continuously updated to respond to changes in the business or applicable legislation. To ensure compliance, they are approved and attested by SBN CFO on a quarterly, bi-annual, and/or annual basis.
- All tax governance documents are available through a central repository to relevant employees.

Standard Bank Namibia is aligned to the SBG methodology for identifying, managing and monitoring tax risks, the details of which are disclosed in the [SBG ESG report](#)



## Engaging with tax authorities

We are committed to fostering transparent, constructive and cooperative relationships based on open and honest disclosure and building mutual trust wherever possible.

## Insights into SBN tax contributions

The group contributes significantly to government revenues by way of corporate income taxes and indirect taxes such as VAT. We also collect other taxes such as withholding tax and employees' tax on behalf of revenue authorities and assist tax authorities with tax administration, collection processes and by obtaining independent verification of third-party data.

Taxes paid and collected by the SBN Holdings (N\$'000)	2021	2020
Total taxes paid and collected by SBN	198 711	187 144
<b>By type of tax</b>		
Corporate taxes incurred	155 355	156 510
Taxes collected on behalf of the government (e.g. employees' tax)	43 356	30 634



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