

Sustainability Report

2024



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Client coverage: We value feedback and welcome any comments or suggestions you may have about the report or our sustainability performance. Please contact us.

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Chairman's Statement

Dear Stakeholders,

It is with great pride that I share our renewed purpose: **Prioritizing sustainability, inclusivity, and integrity.** This statement reflects our unwavering dedication to Malawi and Africa at large, recognizing the significant role National Bank of Malawi plc (NBM) plays in driving sustainable progress within a complex and evolving ecosystem.

The past year has been marked by formidable challenges. Global crises such as the geopolitical conflicts, and high inflation have disrupted economies, while Africa continues to grapple with unique issues, including political instability and humanitarian crises. Climate change has further intensified these struggles, evident in the severe droughts, floods, and cyclones that have devastated Malawi over the past two years. These events have claimed lives, destroyed livelihoods, and significantly impacted crop yields, particularly for the most vulnerable. Additionally, Malawi's persistent energy shortages and fuel

crises highlight the urgent need for a more secure and sustainable energy future.

Guided by our core values, we at NBM Plc are committed to being a proactive force for positive change. We firmly believe that financial prosperity and societal well-being are inseparable.

Our commitment to promoting financial inclusion, championing diversity, and driving climate action forms the foundation of our sustainability agenda. This is anchored by robust governance and a steadfast dedication to responsible corporate stewardship.

Strengthening Our Sustainability and Climate Agenda

This year, our Board and management team have redoubled efforts to reinforce our commitment to sustainability which has been embedded in the Bank's strategy through our Risk Division. We have

refined processes, established accountability metrics, and embedded sustainability initiatives into the very fabric of our Group's strategy.

In 2024, we committed our desire to reduce greenhouse gas emissions across Scope 1, 2, and financed Scope 3 emissions. This ambitious plan is fully supported by our Board and executive team, demonstrating our determination to lead this critical transition with focus and resolve.

We view this energy transition as essential for Malawi and Africa as a whole. Our approach prioritizes environmental stewardship while ensuring social inclusion and equitable employment opportunities. Guided by our Board, we have integrated these climate objectives into our strategic goals and aligned them with our NBM Plc ESG health check scorecard. Our aim is to see these efforts recognized through industry accolades and global rankings, showcasing our commitment to a sustainable future.



Advancing Our Sustainability Focus Areas

As we continue on this journey, I am proud to highlight the progress we have made in advancing our sustainability priorities. While we celebrate our achievements, we remain steadfast in our pursuit of continuous learning and improvement. Key initiatives currently underway include:

- Implementing a comprehensive sustainability data management program to enhance the availability and accuracy of information critical for measurement and management.
- Building the capacity of our Boards and workforce to embed sustainability as a core element of our operations.
- Offering innovative and inclusive banking products, along with affordable loans, to promote financial inclusion in critical sectors such as energy and agriculture, with a particular focus on small and medium enterprises, women, and youth.
- Increasing the representation of women in leadership, ensuring fair and responsible remuneration, and fostering diversity throughout our supply chain.
- Strengthening our climate risk

assessment methodologies with enhanced data capabilities and more robust scenario analyses.

These initiatives exemplify our unwavering commitment to embedding sustainability into every aspect of our organization, driving meaningful change for the benefit of all our stakeholders.

Looking Ahead

Our commitment to sustainability extends to all our stakeholders - employees, clients, communities, and partners. Together, we can build a sustainable and prosperous future, not only for Malawi but for the entire continent.

Financial inclusion

We continue to provide equitable access to affordable financial services and products that cater to the specific needs of our communities to improve financial inclusion and resilience. This includes:

- The operations of Chatbot, a secure WhatsApp-based digital product with no monthly charges, assisting unbanked and under banked populations.
- Providing products and services that empower and uplift women and children, fostering community development.

Diversity

Our commitment to empowering people is demonstrated through transformative initiatives and recognitions that underscore our dedication to creating an equitable workplace and society. This includes:

- Board approved diversity policy which stipulates that 40% of the Board composition should be female.
- The prioritization of women inclusivity in our leadership, supply chain and financial inclusion solutions, promoting diversity, gender equality, and inclusive decision-making.

Climate

Our approach to climate action focuses on reducing carbon emissions and managing other environmental issues, while supporting our customers and communities with growing opportunities. This includes:

- Setting and managing our Scope 1, 2 and 3 emission reduction targets.
- Increasing our green finance efforts
- Building our status as Malawi’s leading financier of renewable energies.

Conclusion

As we look back on our achievements and the lessons we’ve learned, we remain optimistic about Malawi’s and Africa’s future. This optimism is rooted in the resilience of its people, the vast potential within its economies, and the transformative role that purpose-driven organizations like NBM can play in fostering a sustainable and thriving continent. Our steadfast dedication to fulfilling our sustainability commitments encompasses all our stakeholders – from employees and clients to the broader communities we serve and beyond.

Jimmy Lipunga
Chairman

ESG highlights

Environment



Green Lending

New green products created - Energy financing product

Partnerships to promote green – AGF, Sky energy and 265 energy



Carbon emissions

1673.20 tCO₂ equivalent



Responsible Lending

100 %

SME and Corporate loans screened for E and S effects and appeal for mitigation factors



Tree planting and growing

Managing the adopted forests across Malawi



Solarised units

45 ATM's running on solar

1 Service centre solarized



Handover ceremony for community-based childcare centre



MOU signing event with 265 Energy and Sky Energy

ESG highlights

Social



Direct jobs created

81

employees hired in 2024 (48 male & 33 female)



Women in leadership

38

female managers representing 31%



Full time employees

1,110

pensionable employees

470

Female employees

640

male employees



Mental awareness training

Managed to train all staff on matters regarding mental awareness training



Amayi Angathe loans disbursed

1,035

customers

K5.04

billion



Taoloka loans disbursed

398

Customers

K1.29

billion



Young Entrepreneurs loans disbursed

47

Customers

K0.79

Billion



Kasupe finance loans disbursed

197

Customers

K0.43

Billion



ESG highlights

Governance

9 Policies reviewed to include ESG principles

Corporate social Investment, Environmental Social Governance Policy, Environmental and Social Management Policy, Group Enterprise Risk Management Policy

AML Course - every member of staff is trained yearly and board every 2 years

Board diversity - 20 % board is female



Financial literacy education program at Zingwangwa Secondary School

Chief Executive's Statement



NBM is deeply committed to sustainability principles, shaping its approach to sustainable development as a leading financial institution in Malawi. Recognizing its pivotal role in driving economic progress, NBM Plc prioritizes environmental stewardship and social responsibility to create long-term value for stakeholders.

We are dedicated to minimizing its carbon footprint through strategic initiatives and sustainable investments. These include responsible lending,

resource efficiency, and environmental restoration programs such as tree planting. These efforts contribute to the development of sustainable urban areas while safeguarding natural habitats for future generations.

Our commitment to social responsibility extends beyond financial services, focusing on enhancing community well-being. The Bank actively participates in initiatives that promote inclusive growth, improve access to education and healthcare, and empower marginalized groups. By investing in these social programs, NBM Plc fosters opportunities, builds resilience, and drives shared prosperity.

Internally, we place a high priority on maintaining a safe, supportive, and inclusive work environment. The Bank promotes employee wellness through regular health checkups and guidance while encouraging staff involvement in sustainability efforts. Diversity and inclusion remain central to its workforce culture, ensuring every team member feels

valued and empowered to contribute meaningfully.

Sound governance practices form the foundation of Our operations, emphasizing transparency, accountability, and ethical conduct. The Bank adheres to regulatory requirements, upholds global governance standards, and maintains integrity in all aspects of its operations. This governance framework protects stakeholder interests and supports long-term sustainability.

Through these frameworks, we integrate sustainability into our core operations, driving progress toward a more sustainable and inclusive future for Malawi.

Guiding Standards and Frameworks

Our sustainability practices are guided by the following international and industry-specific standards:

- **United Nations Sustainable Development Goals (UN SDGs)**
- **United Nations Global Compact (UNGC)**
- **Task Force on Climate-related Financial Disclosures (TCFD)**
- **Task Force on Nature-related Financial Disclosures (TNFD)**
- **Global Reporting Initiatives (GRI)**

Looking ahead, we have set ambitious and comprehensive goals to advance our sustainability agenda. These goals are designed to address environmental, social, and economic challenges while fostering growth, innovation, and inclusivity across all our operations.

By pursuing these goals with determination and collaboration, we aim to lead in advancing sustainability while delivering meaningful value to our stakeholders and contributing to a resilient and inclusive global economy.

Harold Ziyu
Chief Executive Officer

Future Goals

1. Reducing Carbon Emissions and Promoting Environmental Sustainability

- Deploy energy-efficient equipment and technologies across all facilities to achieve a reduction in carbon emissions by 2030.
- Transition to renewable energy sources, such as solar, or other sustainable options within five years.
- Expand partnerships with environmental organizations to support carbon offset programs, such as reforestation and conservation initiatives.

2. Developing and Growing the Bank's Portfolio of Green Investments

- Increase the Bank's green investment portfolio by focusing on renewable energy projects, eco-friendly technologies, sustainable agriculture, and climate-resilient infrastructure.
- Launch innovative green financial products to meet the growing demand for environmentally responsible funding solutions.

- Strengthen collaborations with global institutions like the African Guarantee Fund to de-risk investments and incentivize businesses to adopt greener practices.
- Establish measurable impact assessment frameworks to monitor and report on the environmental and social benefits of green investments.

3. Enhancing Diversity, Equity, and Inclusion in the Workplace

- Implement robust diversity and inclusion policies to ensure a fair, equitable, and inclusive workplace.
- Introduce specialized mentorship and career advancement programs for underrepresented groups, including women and young professionals.
- Conduct regular training on unconscious bias, anti-discrimination, and inclusive leadership to foster a culture of respect and collaboration.

- Expand employee resource groups to support diverse interests in line with the country's laws and enhance a sense of belonging throughout the group.

4. Expanding Community Development Programs

- Broaden the reach of our community engagement initiatives, targeting underserved populations with programs focused on financial literacy and entrepreneurship development.
- Increase access to affordable financial services for marginalized groups, aiming to onboard unbanked individuals through enhanced digital banking solutions.
- Collaborate with local and international organizations to address critical issues such as poverty reduction, education, and healthcare access, ensuring sustainable socio-economic development

5. Driving Innovation for Sustainability

- Leverage technology and data analytics to develop cutting-edge solutions that promote environmental and social

sustainability.

- Launch digital tools to empower customers to make sustainable financial decisions.
- Strengthen our reporting capabilities to provide transparent and data-driven insights into the progress of our sustainability initiatives.
- Explore partnerships with fintech innovators to drive the development of next-generation sustainable banking solutions.

6. Building Partnerships for Impact

- Collaborate with stakeholders, including governments, NGOs, and private sector entities, to amplify the impact of our sustainability efforts.
- Actively participate in global forums and alliances focused on climate action, financial inclusion, and green finance to align with international best practices.
- Engage with customers, employees, and communities to co-create solutions that address shared sustainability challenges.

Report Overview

This is NBM Group's ESG & Sustainability Report for the reporting period January 1, 2024 to December 31, 2024.

The report covers NBM Group (also referred to as "The Group") and its subsidiaries in Malawi and Tanzania.

- NBM Development Bank Limited - Malawi
- NBM Capital Markets Limited - Malawi
- NBM Pensions Administration Limited - Malawi
- United General Insurance Company Limited - Malawi
- Stockbrokers Malawi Limited - Malawi
- Akiba Commercial Bank plc - Tanzania

The 2024 Sustainability Report for the NBM Group, approved by the Board, has been prepared in alignment with a comprehensive framework of regulations, standards, and guidelines.

This report reflects the Group's commitment to sustainability by adhering to international and industry-specific initiatives, including:

- The Malawi Stock Exchange Directives which require any

company listed under it to disclose Sustainability issues.

- The IFC Performance Standards, which provide benchmarks for managing environmental and social risks.
- The United Nations Sustainable Development Goals (SDGs), which guide global efforts towards achieving a more equitable and sustainable future.
- United Nations Global Compact Principles, which ensure alignment with universal principles on human rights, labor, environment, and anti-corruption.
- Task Force on Climate-Related Financial Disclosures (TCFD). Although the TCFD was disbanded in 2023, its recommendations remain relevant for addressing climate-related risks and opportunities in financial reporting.

By integrating these frameworks, the Group continues to strengthen its commitment to sustainable finance, transparency, and the creation of long-term value for stakeholders.

Assurance and Verification

The Group has established internal policies, procedures, and controls to ensure the accuracy and reliability of the data presented in this sustainability report. Oversight of Environmental, Social, and Governance (ESG) matters, including this report, is provided by the Board Risk Committee, reflecting the Group's commitment to accountability and transparency.

NBM is responsible for the preparation of the ESG information contained within this Sustainability Report and the Annual Report. The Group has carefully selected appropriate measurement metrics and reporting criteria that align with the nature of its business operations and sustainability

objectives.

The Group acknowledges the critical importance of ESG disclosures and the integrity of the data that supports this process. To this end, the reporting processes are integrated with its internal business reporting systems. In areas where manual data sourcing and categorization are still used, the Group is actively working to develop and implement more robust processes to enhance the accuracy and efficiency of data collection.

This continuous improvement ensures that the Group's ESG reporting not only meets the expectations of stakeholders but also aligns with global best practices, positioning us as a leader in sustainable business practices in Malawi.

The Group has established internal policies, procedures, and controls to ensure the accuracy and reliability of the data presented in this sustainability report.

National Bank of Malawi plc

Profile and Scale

The NBM Group is a publicly traded company, incorporated as a public limited company (plc). It operates under the governance of a board of directors and is subject to regulations set forth by financial authorities in various jurisdictions where it operates.

It was established in 1971 through the merger of Barclays Bank DCO (Dominion Colonial Overseas) and Standard Bank. The latter had its origins in the Republic of South Africa and had a wide presence across Africa. The merger brought together complementary operations, resulting in a nationwide distribution of assets and services.

Barclays Bank divested from Malawi in 1982, and Standard Bank which later became known as Standard Chartered Bank, left Malawi in 1996, in alignment with the broader strategic plans of its parent bank abroad.

Today, NBM Plc is the leading bank in Malawi, leveraging the experience and expertise gained from Barclays Bank and Standard Chartered Bank. It operates through a network of 49 service centres, as well as a widespread network of 154 ATMs and 2,956 Agents, providing convenient access to banking services for customers throughout Malawi. With over 1,000 employees, the Group holds the largest asset base among banks in Malawi. It is also renowned for its efficiency and profitability. On 21 August 2000, the Bank was listed on the Malawi Stock Exchange.

NBM Group Ownership structure

- Press Corporations (51.5%)
- Old Mutual Group (21.3%)
- Members of the Public (27.2%)



Operational countries/regions

The NBM Group operates in Malawi and Tanzania. The Group has 49 service centres: 32 centres across Malawi and 17 service centres in Tanzania. The Group with the exception of Akiba has its registered offices and principal places of business in Blantyre, Malawi. ACB's registered office and principal place of business is in Dar es Salaam, Tanzania.

Today, the Group boasts of the largest branch network in the region

Service Centres

49

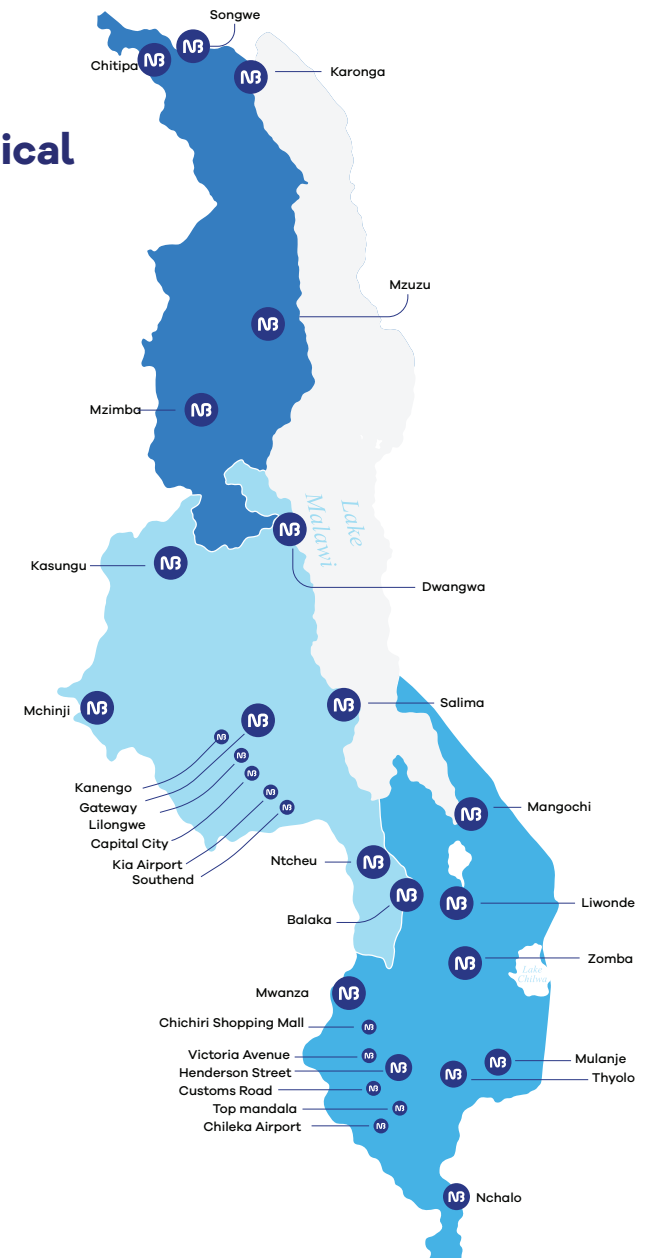
ATMs

154

Agents

2,956

Malawi Geographical Presence



Board Members



Jimmy Lipunga
FCCA, CA (M), Cert. PPP Specialist
Chairman



Harold Jiya
BCom, ACIB, MBA
Director



Crispin Mzengereza
BCom (Hons), B.A. (Pub. Admin),
M.Com.
Director



Macleod Nkhoma
MBA, FCIS, PGDIPL
Director



James Mhura
B.Acc, MBA (Finance), ACMA.
Director



Jim Nsomba
BCom, FCCA, CA (M).
Director



Moureen Mbeye (Ms)
B.Acc, MBA, FCCA, CA (M).
Director



Bessy Nyirenda (Mrs)
BSc (Econ, Stat, Comp Sci), Dip (Bus.
Sys. Analysis & Design), MSc (Comp),
MBA (Intl. Global Econ).
Director



Raymond Banda
BSc (Comp Sci, Math, Physics)
Dip. in Bus. Admin, MBA in Intl. Bus.
Director



Dr. Lyton Chithambo
B.Acc, MSc (Finance & Risk), PhD Finance,
FCCA, CA (M), FHEA
Director



Obituary

Mrs. Dorothy Ngwira

(31 May 1965 – 30 July 2024)

It was with profound sadness that we mourned the passing of Mrs. Dorothy Ngwira, a Director on the NBM Board and Chairperson of its Audit Committee, who departed this life in July 2024.

Mrs. Ngwira was a dedicated professional whose exemplary service, integrity, and unwavering commitment to excellence left a lasting impact on the Bank and the broader community. As a leader, she played a key role in strengthening governance and accountability structures, and was widely respected for her insight, mentorship, and steady leadership.

We extend our heartfelt condolences to her family and friends.

May her soul continue to rest in eternal peace

Governance Framework

The Group operates within a robust governance framework designed to ensure clear lines of authority, accountability, and responsibility. This framework empowers the Board to retain overall strategic oversight while delegating day-to-day operational management to the executive team, led by the Chief Executive Officer. The performance of the executive management team is closely monitored against predefined objectives and policies to ensure alignment with the Bank's strategic goals.

To effectively discharge its responsibilities, the Board relies on the expertise of six key committees:

- Audit committee
- Risk committee
- Appointment remuneration and governance committee
- Credit committee
- Related parties committee
- Board IT Oversight committee

These committees thoroughly assess specific areas of focus, offering crucial insights and support that enable the Board to operate with efficiency and

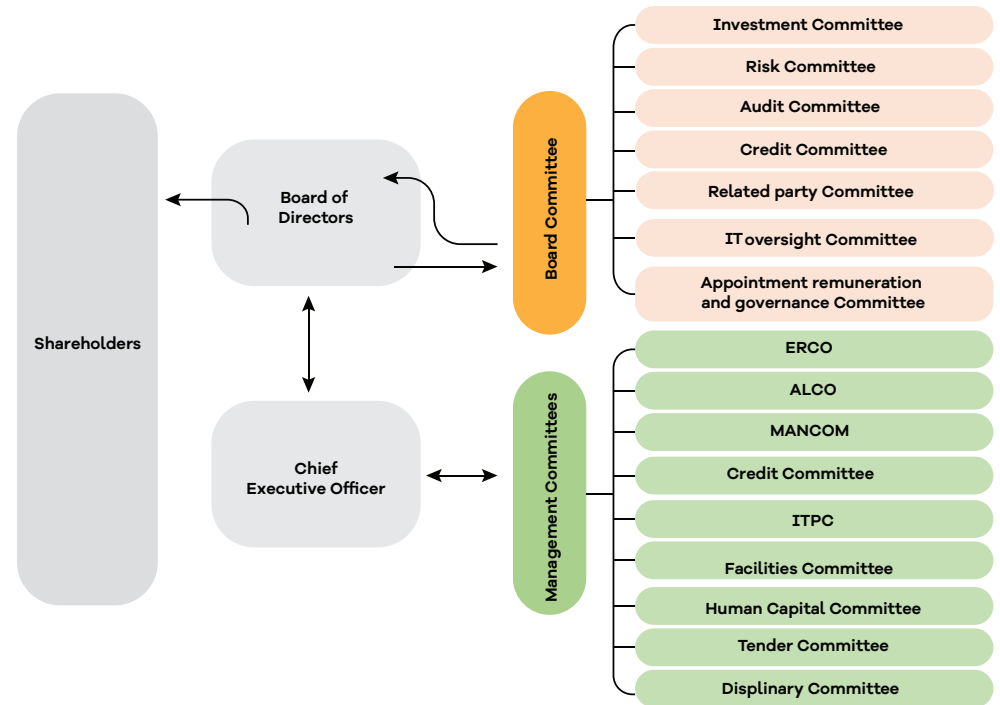
precision.

The Group's Board Charter, which is regularly reviewed and approved, clearly outlines the roles and responsibilities of the Board Chairman, directors, and the Company Secretary. The roles of the Board Chairman and the Chief Executive Officer are distinct and separate, ensuring a clear division of responsibilities between the governance of the Board and the executive management of the Bank's operations.

This governance framework underscores the Group's commitment to maintaining the highest standards of accountability, transparency, and ethical leadership, ensuring long-term value creation for all stakeholders. and healthcare access, ensuring sustainable socio-economic development

Diversity and Inclusion

The Group's Board of directors believes that diversity and inclusion are not just ethical imperatives but also critical drivers of innovation, creativity, and business success.



Embracing a diverse workforce allows the Group to harness a wide range of perspectives, experiences, and skills, which are essential for understanding and serving its diverse customer base. The Group's commitment to fostering an inclusive environment ensures that every employee feels valued, respected, and empowered to contribute to their fullest potential.

The board diversity policy was approved to eliminate barriers and to prevent discrimination on grounds of race, gender, disability, sexual orientation, ethnicity, religion, and marital or family status in the workplace and to develop a work environment that promotes diversity without compromising merit.

Management Team



Harold Jiya
Chief Executive Officer



Masauko Katsala
Chief Operating Officer



Daniel Jere
Chief Financial Officer



Harry Mukaka
Head, Treasury and
investment Banking



William Kaunda
Head, Digital Financial
Solutions



Eluphy Salamba
Head, Credit Management
Division



Oswin Kasunda
Head, Retail Banking
Division



William Chatsala
Head, Corporate Banking
Division



Zunzo E Mitole (Mrs)
Company Secretary



Charles Ulaya
Chief Risk Officer



Charles Dulira
Head, Human Capital
Division



Wilkins Mijiga
Head, Client Coverage
Division



Christopher Chilenga
Head, Information
Technology



Noel Tomoka
Head, Internal Audit

Risk Management

With our promise to be more than just a Bank, our Group Enterprise Risk Management’s (GERM) Policy is hinged on the establishment of a group-wide risk oversight, monitoring and reporting that fosters risk integration. This ensures that the Group strives for sustainable financial success while strengthening its relationship with a diverse group of stakeholders.

Helping our stakeholders achieve their ambitions lies at the heart of our processes. We apply a bespoke risk management framework in identifying, assessing, monitoring, controlling and reporting the inherent and residual risks associated with the pursuit of these ambitions and ensuring they are achieved the right way.

The Bank’s overall risk tolerance is established in the context of our earning power, capital and diversified business model. The organisational structure and business strategy, on the other hand, are aligned with our risk management philosophy.

The Group uses periodic reviews of risk exposure limits and risk control and self-assessment to position itself

against adverse scenarios. This is an invaluable tool with which the Group predicted and successfully managed both the local and global recessions which continued to impact the macro-economy. Market volatilities and economic uncertainties are typically contained because the Group regularly subjects its exposures to a range of stress tests across a wide variety of products, currencies, portfolios and customer segments.

Risk strategies and policies are set by the Board of Directors of NBM Plc. These policies, which define acceptable levels of risk for day-to-day operations as well as the willingness of the group to assume risk, weighed against the expected rewards. The ERM is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and actively managing these risks in a cost-effective manner. Specific policies are also in place for managing risks in the different core risk areas of credit, compliance, Anti-Money laundering and Combating financing of terrorism, market, operational, liquidity, strategic, reputational risks, Information and Cyber Security amongst others.

Policies and Practices

The Group’s approach to policy development and implementation ensures that all policies are aligned with strategic goals, regulatory requirements, and stakeholder expectations.

The Group’s implementation framework ensures that policies are effectively integrated into daily operations and adhered to across the organisation. To ensure effective implementation the Group disseminates its policies through various channels, clearly defining roles and responsibilities, and establishing monitoring mechanisms for compliance.

The Group also provides channels for reporting non-compliance and incorporates a feedback loop for continuous improvement. Policies are regularly reviewed and updated to reflect changes in regulations, business operations, or industry standards, typically every three years or as needed.



Helping our stakeholders achieve their ambitions lies at the heart of our processes. We apply a bespoke risk management framework in identifying, assessing, monitoring, controlling and reporting the inherent and residual risks associated with the pursuit of these ambitions and ensuring they are achieved the right way.

Climate related risk management

The Group has undertaken significant steps to enhance its management of climate-related risks and integrate climate considerations into its operations. Key policies have been revised to clearly define the roles and responsibilities of various business units concerning climate risk/ESG.

Notably, the Enterprise Risk Management (ERM) Framework was updated to designate climate-related risk as a principal risk. This update reflects our recognition of the critical importance of addressing climate change within its risk management practices.

These measures underline the Group's commitment to proactive climate risk management, ensuring that we are well-positioned to navigate the challenges posed by climate change while supporting sustainable development.

Climate Risk Management and Sustainability Initiatives

The Group has undertaken extensive measures to integrate climate risk management into its policies and operations, ensuring alignment with its sustainability commitments. Key revisions include updates to the **Risk Appetite, Enterprise Risk Policy, and Credit Policy**, embedding climate risk management practices across the organization.

Green Investments and Lending Practices

To further its climate ambitions, NBM has developed a **Green Loan product**, ensuring lending activities align with environmental sustainability objectives.

Additionally, NBM provided **Green Finance and Sustainability training** to enhance employees' understanding of climate risks and opportunities, fostering a culture of sustainability

throughout the organization.

The Group has also implemented in its system a **Social and Environmental Management System** for its Malawi banking operations to identify, mitigate, and manage environmental and social risks associated with lending activities, ensuring responsible and sustainable lending practices.

Strengthening Carbon Management and Climate Risk Capabilities

To enhance its capabilities in carbon management and climate risk, the Group is actively developing robust management and reporting systems. Transparent climate disclosures will be supported by stakeholder engagement and data-sharing, enabling us to accurately report greenhouse gas emissions, targets, and associated risks.

Recognizing the importance of client

awareness in managing climate risks, there is commitment to enhance climate risk procedures and reporting, ensuring alignment with international best practices. These efforts solidify the Group's position as a leader in sustainable banking, driving positive environmental impact and fostering resilience within the economy.

Through these comprehensive measures, the Group reaffirms its dedication to addressing climate risks and contributing to a sustainable future for Malawi and beyond.

Materiality approach

Materiality Assessment and Stakeholder Engagement

The Group employs a materiality assessment process to identify both negative and positive impacts on its business and stakeholders. This process begins with an analysis of the internal and external environment, including a review of regulatory changes, industry trends, and emerging sustainability issues. Impacts are prioritised based on their significance to both the organisation and its stakeholders. This informs our materiality assessment and involves evaluating the potential financial, environmental, and social implications of each issue. The prioritisation process considers the likelihood of occurrence, magnitude of impact, and the extent to which each issue affects our ability to create and preserve value over time.

Material topics

We are committed to addressing material topics through strategic

initiatives and increasing levels of engagement with stakeholders. We believe that by focusing on these critical areas, we can drive sustainable growth, create value and contribute positively to society.

Our efforts are guided by a clear understanding of the challenges ahead, as well as the opportunities that lie in embracing sustainability as a core component of our business strategy.

Financial Inclusion

As a leading financial institution in Malawi, NBM plays a vital role in expanding access to financial services, particularly for underserved communities. Financial inclusion is not only a social imperative but also a strategic priority that supports economic growth and poverty reduction in Malawi.

The Group is committed to increasing financial inclusion by introducing innovative banking products tailored to low-income populations, enhancing

digital banking platforms to reach rural areas, and partnering with community organizations to promote financial literacy.

Climate Change

Climate change poses significant risks to Malawi's economy, including its agricultural sector, which is critical for the livelihoods of a large portion of the population. As a financial institution, NBM acknowledges the need to mitigate climate risks and support the transition to a low-carbon economy.

The Group is actively investing in green financing, supporting projects that promote renewable energy and sustainable agriculture. The Group has acquired a system to accurately calculate its carbon footprint and is working towards reducing its environmental impact through energy-efficient operations.

Responsible Lending

Responsible lending practices are essential for maintaining the trust of our stakeholders and ensuring the sustainability of our business. The Bank understands that the financing decisions we make have a significant impact on the broader economy and society.

We have implemented strict environmental, social, and governance (ESG) criteria in its lending processes. The Bank evaluates the potential

impact of its loans on communities and the environment, ensuring that all financed projects align with our commitment to sustainability.

Community Development

The Group is deeply rooted in the communities it serves. We believe that contributing to the socio-economic development of these communities is both a responsibility and an opportunity to drive positive change.

NBM supports various community development initiatives, including education, healthcare, and infrastructure projects. The Bank allocates 2% of its prior year profits to corporate social investment, focusing on projects that deliver long-term benefits to the community.

Corporate Governance

Strong corporate governance is the foundation of NBM's operations. It ensures accountability, transparency, and ethical conduct across all levels of the organization, which is crucial for maintaining stakeholder trust and achieving sustainable growth.

The Group adheres to the highest standards of corporate governance, with a board composition that reflects diversity and independence. We have also embraced ESG principles, ensuring that governance practices are aligned with our sustainability objectives.

Digital Transformation

The rapid advancement of technology is reshaping the financial services industry. At NBM, digital transformation is not just about adopting new technologies but also about enhancing customer experiences, improving operational efficiency, and staying competitive in a dynamic market.

The Group is investing heavily in digital transformation, expanding its digital banking services, and enhancing cybersecurity measures. These efforts are aimed at providing customers with seamless, secure, and innovative banking solutions.



Environmental Stewardship

The NBM Group has consistently demonstrated its dedication to addressing environmental and climate issues. The Group goes above and beyond by incorporating environmental considerations into its decision-making processes. This commitment sets us apart as a responsible and environmentally conscious entity

Responsible Consumption

As a Group, we have adopted SDG 12 (responsible production and consumption) and SDG 13 (climate action), focusing on monitoring our resource consumption. We track fuel and electricity usage annually to reduce and calculate the Group's carbon emissions. With these goals in mind, we are setting annual operational targets, to help successful reduction of our carbon footprint. Through these efforts, we strive to make a positive impact on the environment.

Operational Emissions

We are committed to gaining a

comprehensive understanding of its environmental impact by conducting detailed carbon footprint analyses. This assessment includes emissions from **Scope 1** and **Scope 2** sources, such as fuel consumption for generators (diesel), vehicles (petrol and diesel pool vehicles), and indirect emissions associated with the Group's consumption of purchased electricity. Additionally, the Group calculates its emissions in **tonnes of carbon dioxide equivalent (tCO₂e)**, the standard unit for comparing the impact of various greenhouse gases relative to CO₂. This consistent approach ensures accurate measurement and reporting of environmental impact.

To ensure the accuracy of its carbon emissions calculations, NBM adopts the veriport system in which metrics are imputed. These standardized factors guarantee consistency and enable precise measurements, further reinforcing the Bank's commitment to transparency, accountability, and alignment with global best practices.

Through these measures, the Group demonstrates its dedication to responsible environmental stewardship and sustainable banking practices, ensuring a positive impact on the environment while supporting Malawi's transition to a low-carbon economy.

Statistics

Scope 1

Total fuel used (Litres)

- Diesel - **128,250.62** Litres
- Petrol - **2,028.70** Litres

Emmissions tco2 equivalent
121.6 tco2

Scope 2

Total Energy used (kWh)
4,827,363.70 Kwh

Emmissions tco2 equivalent
1,551.60 tco2

Resource consumption

GHG Categories Emissions (2024)

Emissions (tCO ₂ e)	2024
Total	1,673.20
Stationary combustion	68.71
Generators	68.71
Mobile combustion	52.89
Road vehicles	52.89
Purchased electricity (location-based)	1,551.60
Grid electricity	1,551.60

The Group is committed to minimizing its environmental impact by optimizing resource consumption and promoting sustainable practices across its operations. The Group actively track and manage the use of critical resources such as energy, water, and paper to identify areas for improvement and reduce waste.

To ensure accountability, the Group regularly measure and report its resource consumption, setting clear targets for improvement aligned with its sustainability goals. By integrating these practices into operations, the Group aims to drive responsible resource use and contribute to the preservation of Malawi's natural resources for future generations.

The Group remains committed to fostering a culture of sustainability internally and with its external stakeholders supporting the nation's transition to a more resource-efficient economy.

Power and Fuel Consumption

As a Group, our mission is to optimize power consumption across all our operations by integrating energy-efficient technologies, embracing renewable energy solutions, and fostering a culture of energy conservation.

- Reducing our reliance on non-renewable energy sources by investing in sustainable and clean energy alternatives is one notable agenda the Bank has embarked on with 45 ATM's running on Solar and one service centre.
- Continuously monitoring and analyzing our energy usage to identify opportunities for improvement and reduce our carbon footprint. Through these efforts, NBM Plc strives to contribute to a more sustainable future for Malawi, ensuring energy security while minimizing our environmental impact. Our approach aligns with global sustainability goals and reinforces our dedication to responsible corporate citizenship.

Responsible Lending

We are committed to fostering sustainable economic growth by embedding responsible lending practices into our operations. Our approach ensures that the financial support we provide promotes environmental stewardship, social well-being, and good governance while minimizing risks to our stakeholders and the broader economy.

We are guided by the following principles in our lending activities:

- **Environmental Responsibility:** Prioritizing projects and clients that demonstrate adherence

to environmentally sustainable practices, including renewable energy, resource efficiency, and climate adaptation initiatives.

- **Social Impact:** Supporting businesses and initiatives that promote inclusivity, community development, and the well-being of communities, with a particular focus on empowering women, youth, and marginalized groups.
- **Governance and Ethics:** Ensuring that all lending decisions align with the highest standards of integrity, accountability, and regulatory compliance to foster trust and transparency.

The Bank has established a robust Social and Environmental Management System (SEMS) to identify, assess, and manage the environmental and social risks associated with our financing activities. By doing so, we ensure that the projects we support align with global sustainability standards and contribute to Malawi's long-term development goals.

Through responsible lending, we reaffirm our commitment to building a resilient and inclusive economy, supporting our customers' aspirations, and driving positive change for future generations.

100% of SME and corporate financing were screened for Environmental and Social impact.



Social Context

The banking sector in Malawi plays a crucial role in addressing social issues such as inequality, human rights, and economic empowerment. Banks contribute to social development by supporting initiatives in education, health, and economic growth, especially for underserved groups like women, youth, and small businesses. These efforts promote community well-being and foster economic opportunities.

Employee welfare

In the NBM Group, our employees are the cornerstone of our success and strategic vision. Guided by a robust employee value proposition, the Group is committed to fostering an environment where every team member can unlock their full potential.

People and Culture

At the heart of the Group's success are its people, whose passion, commitment, and shared values drive meaningful change and support the achievement of its strategic objectives. Through the Tiiphula culture, the Group fosters a high-performance, customer-focused, and ethical workplace built on accountability, innovation, respect,

and excellence. This values-driven approach promotes inclusivity, responsible conduct, and continuous improvement, ensuring every team member can thrive. By investing in its people and embedding Tiiphula principles into daily operations, the Group strengthens, builds stakeholder trust, and creates lasting value for its employees, customers, and the wider community.

Diversity and inclusion

The Group recognizes that diversity and inclusion are not only ethical responsibilities but also essential to driving innovation, creativity, and business success. By embracing a diverse workforce, it leverages a wide range of perspectives, experiences, and skills that are critical for understanding and serving its diverse customer base. Its commitment to fostering an inclusive environment ensures that every employee feels valued, respected, and empowered to contribute to their fullest potential.

"By embracing a diverse workforce, we tap into a broad array of perspectives, experiences, and skills, which are crucial for effectively understanding and meeting the needs of our varied customer base."

Gender Inclusion

At NBM, we remain dedicated to actively monitoring and advancing diversity within our workforce, identifying areas for growth and continuous improvement. In the most recent reporting year, women represented 42.1% of the total workforce, with 31.1% holding management positions across the Bank. However, the representation of women in senior management roles at the Bank stood at 10%, which, still falls short of the regional population demographics.

% Number of Female Employees

Overall	42.1%
Management	31.1%
Senior Management	10%

Despite this challenge, the Group observed a positive increase in the number of women employees in 2024, which is a promising development. Additionally, several women were promoted into management roles during this period. By consistently tracking diversity, acknowledging both progress and challenges, we are committed to creating avenues for ongoing improvement. This commitment underscores the Group's recognition of the value that diversity brings, and its dedication to fostering an inclusive and equitable workplace for all.

Age Diversity

The Group recognizes the critical importance of age diversity in fostering a dynamic environment where a variety of experiences, approaches, and viewpoints can thrive. By incorporating both younger and more experienced employees, it is better positioned to innovate and capitalize on the diverse perspectives that contribute to its success. This age diversity offers significant benefits, such as a stronger talent pipeline, cross-generational mentorship, and enhanced customer satisfaction as the Group connects with customers across various age groups.

The Group's commitment to inclusivity is evident in its diverse workforce, which brings a wealth of experiences and perspectives.

The age distribution in the Group reflects this commitment, with under 30 (21%), 30 - 39 (36%); 40 - 49 (26%) and 50 and above (17%). This balance of ages ensures continuous innovation, the exchange of fresh ideas, and abundant mentorship opportunities across all levels, strengthening our organizational reputation and supporting our ongoing success.

Labour and Labour Practices

The Group upholds strong human rights and labour policies, taking into consideration issues such as

forced labour, child labour and discrimination.

The Group’s policies are aligned with international standards and reflect its commitment to ethical practices and fair treatment of all employees.

Total	1,184
Female	499
Male	685
Total New Hires	81
Rate of New Hires (%)	7.0%
Female	33
Male	48
Total Turnover	53
Turnover rate (%)	4.8%
Female	13
Male	40

In addition to its employees, the Group also engages non-employee workers, including contractors and consultants, primarily in IT, maintenance, and security roles.

During the past year, the Group experienced a turnover rate of 4.8%, with new hires and departures tracked by age, gender, and region. We offer comprehensive benefits, including health insurance, retirement plans, and parental leave.

The Group is dedicated to eliminating discrimination in the workplace. In the past year, it reported zero incidents of discrimination. Its diversity policies include initiatives to support employees with disabilities but currently make up a small significant portion of our workforce.

Career Development and Progression

The Group prioritizes the growth and development of its employees, providing ample opportunities for career advancement within the organization.

To equip employees with the skills and knowledge needed to excel, the Group offers a wide array of comprehensive training initiatives. These programs are designed not only to enhance current capabilities but also to foster the development of new skills, empowering teams to confidently navigate future challenges and drive the group's success forward.

In 2023, three employees were sponsored to pursue their respective post-graduate studies overseas. They all successfully completed their studies in 2024.

Building on this commitment to professional development, in 2024, four additional staff members were identified for further studies. Of these, three have successfully enrolled in their respective Master’s programs,

while the fourth is scheduled to commence their first semester in September 2025. This initiative reflects the Group’s continued investment in capacity building, ensuring that employees acquire the necessary expertise to drive innovation and excellence within the institution.

In line with the Group’s commitment to professional development and diversity, three of the seven candidates sponsored or identified for sponsorship in the past two years were female representing 43%.

As part of the Group’s commitment to professional development and leadership growth, five employees were sponsored to attend specialized leadership programs. These programs were designed to equip them with essential skills, strategic knowledge, and managerial expertise to prepare them for senior leadership roles within the Group.

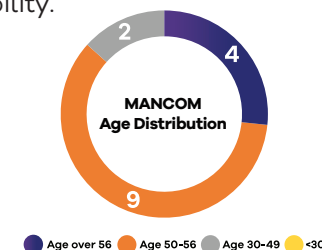
By investing in leadership development, the Group aims to build a strong pipeline of future leaders, enhance decision-making capabilities, and foster a culture of excellence and innovation. This initiative reflects the institution’s long-term vision of strengthening its human capital and ensuring sustainable growth in an evolving financial landscape.

“The Group is deeply committed to fostering career growth and development by offering our employees diverse opportunities to progress and excel within the organization.”

Succession Planning

In 2024, the Group successfully implemented its succession plan with the appointment of Harold Jiya as the new CEO, succeeding Macfussy Kawawa who proceeded on retirement after a successful 26-year career with the Group.

Additionally, the seamless transition in leadership continued with the appointment of the Chief Operating Officer and a new Chief Financial Officer to fill vacancies created by the leadership transition at the top. Furthermore, following the retirement of the former Head of IT and former Head of Operations, a new Head of IT and a Senior Manager in operations were appointed to fill the vacancies so created. This transition reflects the Group’s commitment to a well-structured succession strategy, ensuring leadership continuity and operations stability.





Financial Inclusion

Since its inception, the Group has been at the forefront of promoting financial inclusion and empowering communities across Malawi. In a country where access to financial services was once a privilege for a few, NBM has broken barriers, transforming the lives of millions by creating opportunities through accessible financial solutions.

The Group's commitment to financial inclusion is evident in its continuous efforts to expand its reach and offer innovative services. NBM has established an extensive multi-channel distribution network designed to bridge the gap between urban centres and underserved rural areas. With 49 branches nationwide and a growing network of over 2,956 agent banking outlets, NBM has brought banking services closer to communities that were previously overlooked.

This growth ensures that individuals and businesses, even in the most remote areas, have access to reliable banking services. By empowering communities with financial tools and resources, the Group continues to drive inclusive economic growth and create pathways for a brighter future for all communities it serves.

Value Chain

Managing the value chain effectively involves understanding the sectors, activities, and relationships that define business operations.

Sectors, activities, and relationships

The Group operates in the financial sector, offering a range of products and services including personal banking, corporate banking, investment banking, and asset management. Its supply chain includes IT services, office supplies, security services, and consultancy services. Downstream entities include retail customers, corporate clients, and investment portfolios. Over the past year, we have expanded our digital banking services and streamlined our supply chain to enhance efficiency.

The Group will soon begin a social and environmental screening process for its supply chain. This initiative aims to understand the characteristics and risks associated with workers in the value chain, ensuring that our suppliers meet ethical and sustainable standards. This screening will help it to identify and mitigate all potential social and environmental risks, aligning with its broader commitment to sustainability and responsible business practices.

Stakeholders

The Group identifies key stakeholder groups essential to its operations, including customers, employees, suppliers, investors, regulators, and the local community. Each group is categorised based on their relevance and impact on our activities and strategic goals.

The purpose of stakeholder engagement is to understand and address stakeholder needs, build trust, and foster long-term relationships. Objectives include improving service delivery, ensuring regulatory compliance, enhancing employee satisfaction, and contributing to community development. The intended outcomes are better aligned with stakeholder expectations and enhanced business performance.

The Group has adopted a structured approach to stakeholder engagement, involving regular meetings, surveys, forums, and collaborative projects. This approach ensures that stakeholder feedback is integrated into business strategies and decision-making processes. Engagement outcomes are reviewed by senior management and incorporated into the strategic planning process to ensure responsiveness and continuous improvement.

Stakeholder Group	Engagement Platforms/ Mechanisms	Topics Raised	NBM's Response
Customers	Customer satisfaction surveys, feedback forms, online support forums, community events	Service quality, product offerings, digital banking enhancements	Implemented new digital banking features, improved customer service training, introduced new products tailored to customer needs
Employees	Employee surveys, meetings, performance reviews, internal communication channels	Career development, workplace conditions, benefits	Launched new training programs, improved workplace facilities
Suppliers	Supplier assessments, regular meetings	Payment terms, sustainability practices, collaboration opportunities, quality of products and services	Improved payment processes, established joint initiatives for sustainability
Investors	Annual general meetings, biannual financial reports, stakeholder engagements	Financial performance, risk management, ESG (Environmental, Social, Governance) practices	Provided detailed financial updates, enhanced risk management strategies, implemented comprehensive ESG policies
Regulators	Compliance audits, regulatory filings, industry consultations	Regulatory compliance, risk management, financial stability	Ensured strict adherence to regulatory requirements, improved risk management frameworks, maintained financial health and stability
Local Community	Community forums, CSR (Corporate Social Responsibility) initiatives, public consultations	Community investment, environmental impact, social programs	Increased investment in community projects, reduced environmental footprint, expanded social responsibility programs

Health and Safety

The Group has an occupational health and safety (OHS) management policy and workers have access to necessary

medical and healthcare services, including non-occupational health services.

The Group tracks fatalities, work-related injuries, and illnesses. There

have no fatalities recorded in the reporting period.

Community

The Group is committed to effective community management and fosters positive relationships with stakeholders.

It is committed to understanding and managing positive and negative indirect economic impact. Examples of positive impact include increased local employment and economic growth from infrastructure projects, while an example of a negative impact might involve displacement of local businesses or communities due to large-scale developments financed.

NBM identifies all communities that can be materially impacted by its operations. This includes both urban and rural communities, with a focus on vulnerable groups. It considers material negative impacts, such as environmental degradation, and positive outcomes from its activities, like job creation and improved local amenities.

Product and customer

The Group reports incidents of non-compliance with regulations and voluntary codes, including fines and warnings. It maintains strict adherence to regulatory standards, ensuring that its products and services comply with relevant laws

and ethical guidelines. This includes non-compliance incidents related to marketing communications and the measures taken to address them.

NBM reports total substantiated complaints regarding breaches of customer privacy, including identified data leaks, thefts, or losses. The Group implements robust data protection measures to safeguard customer information.

Consumer and End-User Engagement

The Group engages with customers through various channels, including surveys, and direct consultations, to gather feedback and integrate it into business strategies. This engagement facilitates an understanding of customer needs and preferences, enhancing product and service offerings.

NBM has undertaken significant sponsorships and community initiatives in 2024, reflecting its commitment to sustainability and creating meaningful impacts in the communities. Below is an overview of these initiatives, aligned with its focus on environmental, social, and governance (ESG) principles:

CSI Projects

National Bank of Malawi Plc undertook significant sponsorships and community initiatives in 2024, reflecting its commitment to sustainability and creating meaningful impacts in our communities. Below is an overview of these initiatives, aligned with a focus on environmental, social, and governance (ESG) principles:

1. Education and Youth Empowerment

Mzuzu University Vice Chancellor's Trophy

- **Date:** September 2024
- **Investment:** K7 million
- **Impact:** Encouraged sports and talent development within tertiary institutions.



Scholarship and Best Performing Students Awards in various universities

- **Date:** December 2024
- **Investment:** K270 million
- **Impact:** Awarded scholarships to outstanding students, fostering educational growth.



2. Community Development and Well-being

Solar-Powered Boreholes and Electricity Systems

- **Date:** December 2024
- **Investment:** K140 million
- **Impact:** Installed sustainable water and power systems in underserved communities.

Donation of Drugs and Medical Supplies (Magomero Mission Health Centre)

- **Date:** October 2024
- **Investment:** K3.9 million
- **Impact:** Enhanced access to essential healthcare services.



12 Days of Christmas Initiative

- **Investment:** K130 million
- **Impact:** Delivered critical resources to vulnerable communities during the holiday season.

Handover of Four Community-Based Childcare Centres (Chitipa, Mzimba, Lilongwe, Mangochi)

- **Investment:** K130 million
- **Impact:** Improved childcare facilities for early childhood



3. Agricultural and Economic Empowerment

Supported Banana Plantation Smallholder Farmers in Mulanje and Thyolo

- **Date:** November 2024
- **Investment:** K90 million
- **Impact:** Strengthened smallholder farmers' productivity and economic stability.

4. Promoting Culture, Sports, and Entertainment

Mother's Fun Run

- **Date:** August 2024
- **Investment:** K7 million
- **Impact:** Supported maternal and child health initiatives

- **Berland Festival and Lulu’s Malawi Fun Day Performance**
- **Investment:** K15 million & K2.5 million, respectively.
- **Impact:** Promoted arts and cultural events.



Rotary Club Golf Tournament & Blantyre Motor Show

- **Investment:** K1 million & K2 million, respectively.
- **Impact:** Supported charitable events and community engagement.

5. Business and Professional Development

Institute of Internal Auditors, ICAM, and PR Society Conferences

- **Investment:** K16 million (combined).
- **Impact:** Strengthened professional networks and capacity-building platforms.

Innovation Jam Awards

- **Date:** November 2024
- **Investment:** K33 million
- **Impact:** Recognized and rewarded innovation and entrepreneurship.



6. Partnerships for Sustainability

African Union Day Celebrations

- **Date:** September 2024
- **Investment:** K4 million
- **Impact:** Strengthened collaboration on regional unity and sustainable development.

Malawi Mining Investment Forum

- **Date:** April 2024
- **Investment:** K5 million
- **Impact:** Promoted sustainable mining practices.

Parliament Week Malawi

- **Date:** November 2024
- **Investment:** K5 million
- **Impact:** Enhanced civic engagement and legislative transparency.

7. Corporate Responsibility and Advocacy

World Press Freedom Day Sponsorship

- **Date:** April 2024
- **Investment:** K3 million
- **Impact:** Supported press freedom and ethical journalism.



Wealth Woman Summit

- **Date:** February 2024
- **Investment:** K2.5 million
- **Impact:** Promoted gender diversity and inclusion.

Non-Governmental Organisation Regulatory Authority Day

- **Date:** October 2024
- **Investment:** K4 million
- **Impact:** Strengthened the capacity of NGOs.



Subsidiary Highlights

Akiba Bank – Tanzania

1. Revamp and Maintenance of Independence Square Garden



One of the significant environmental initiatives was the revamp and ongoing maintenance of Independence Square Garden, an iconic landmark situated adjacent to one of the Bank's regional branches in Dodoma, the capital city.

2. Blood Donation Camp in Collaboration with Damu Salama

In the health sector, the Bank organized a blood donation camp in collaboration with the **Damu Salama**

- **Blood Bank Organization** during the third quarter of the year. The event was successful, with **267 participants**, including Bank staff from the Dar es Salaam branches and Head Office.



United General Insurance (UGI) - Malawi

In 2024, UGI invested **K17.25 billion** in various Corporate Social initiatives, focusing on education, sports, and community development.

Key activities included

1. Empowering Excellence

supporting KUHeS high-performing students (**K4.92 million**) and the Vice Chancellor's Trophy (**K8.83 million**)

2. Charitable Events

sponsoring charitable events such as the Inner Wheel Club (**K0.5 million**) and Lions Bedrace (**K0.45 million**)

3. Community Development

contributing to local development projects like the Luvwere Development Centre (**K0.5 million**)



An aerial photograph showing a large, calm body of water with a deep blue-green hue. The water is bordered by a dense, lush green forest on the left side. A small, rocky peninsula with some trees is visible in the middle ground. The sky is a pale, hazy blue, suggesting a clear day.

Through these initiatives, National Bank of Malawi plc continues to embed sustainability into its operations, demonstrating its commitment to the communities it serves while supporting the nation's economic and social progress. These efforts are a reflection of NBM's vision to empower and uplift Malawians through inclusive and impactful investments.

Governance

Corporate governance

NBM's governance structure includes a clear hierarchy of the highest governance body and decision-making committees. Roles and responsibilities of administrative, management, and supervisory bodies are defined to ensure efficient governance and accountability.

The board comprises executive and non-executive members, ensuring a balance of independence and expertise. Details on tenure, gender diversity, relevant competencies, and stakeholder representation are provided to highlight the board's comprehensive oversight capabilities.

NBM's board nomination and selection processes prioritise diversity, independence, and relevant competencies. Stakeholder views are considered to ensure the board reflects the organisation's strategic needs and societal expectations.

The board chair holds a non-executive role to maintain independence and minimise conflicts of interest. Any potential conflicts are disclosed and managed to uphold the integrity of the governance process.

The board plays a pivotal role in defining NBM's purpose, vision, and mission. Due diligence processes ensure stakeholder support and the effectiveness of these strategic elements.

The board will oversee sustainability reporting, ensuring the review and approval responsibilities are met.

Processes for managing conflicts of interest include scrutiny of cross-board memberships, cross-shareholding with suppliers, and related transactions. This maintains the board's integrity and decision-making independence.

The Group has a robust process for communicating critical concerns to the highest governance body. Board members possess the necessary knowledge, skills, and experience. This expertise is crucial for addressing the organisation's impacts, risks, and opportunities effectively.

The Group's remuneration policies include fixed and variable pay, termination payments, claw backs, and retirement benefits. Senior executives' remuneration is aligned with performance metrics to ensure accountability.

The remuneration policy design includes oversight, stakeholder considerations, and the roles and independence of consultants. Voting outcomes from stakeholders are also considered to ensure transparency and fairness.

Ensuring compliance across various areas of business operations is crucial for maintaining integrity and avoiding legal issues.

NBM complies with all relevant banking sector regulations. It ensure ongoing compliance with both national and international banking requirements to safeguard the integrity and stability of our operations.

NBM adheres to relevant IT regulations and standards to protect data integrity and privacy. This includes implementing robust security measures, regular audits, and compliance with data protection laws to safeguard customer information and maintain operational integrity.

Leadership, Ethics and Corporate Citizenship

NBM has comprehensive policies aligned with international standards and human rights commitments, ensuring whistle-blower protection, business conduct training, and strict measures against corruption and bribery.

The Group's governance structure promotes transparency, with oversight bodies and a diverse, competent board.

The Group regularly monitors grievance mechanisms to address stakeholder concerns and ensures anti-corruption measures through assessments, training, and transparent reporting of incidents.

The Group discloses legal actions related to anti-competitive behaviour, maintains a compliant tax strategy, and provides transparency, lobbying activities, and memberships, ensuring accountability and ethical practices.

Regulatory Compliance

The Group's regulatory compliance remains a cornerstone of its sustainability strategy. It ensures that the Bank operates responsibly, ethically, and in full adherence to all applicable laws and regulations. As a leading financial institution in Malawi, we understand the critical role compliance plays in maintaining the trust of our stakeholders, safeguarding customer interests, and contributing to the stability and integrity of the financial system.

The Group's unwavering commitment to compliance enables it to uphold its license to operate, maintain the confidence of customers and investors, and mitigate legal and reputational risks.

NBM's regulatory requirements span multiple areas, including:

- **Financial Reporting:** Ensuring transparency and accuracy in our disclosures.
- **Data Protection:** Safeguarding customer information and adhering to privacy laws.
- **Anti-Money Laundering (AML) and Customer Due Diligence (CDD):** Strengthening our systems to combat financial crimes and ensure the integrity of our transactions.

By embedding compliance into all aspects of our operations, the Group remains steadfast in fostering a culture of accountability and upholding the highest ethical standards. This commitment reflects our dedication to building a resilient and trustworthy financial institution that serves the needs of our customers and contributes to Malawi's sustainable growth.

Stakeholder Engagement

The Group fosters strong and lasting relationships with its stakeholders as they are critical to its mission. The key stakeholders - investors, customers, employees, communities, regulators, and policymakers - play a vital role

in shaping the strategic decisions and are integral to the success of its operations.

NBM is dedicated to engaging proactively with these groups, understanding their evolving needs and expectations, and working collaboratively to address challenges while remaining committed to sustainability and responsible business practices.

By prioritizing transparent communication, mutual respect, and the creation of shared value, the Group aims to build trust, enhance resilience, and achieve mutual prosperity in interactions with all stakeholders. This approach underpins the Group's commitment to fostering an inclusive and sustainable future for Malawi.



GRI Content Index

Statement of Use

Statement of Use

NBM plc has reported with reference to the GRI Standards for the period 1st January to 31st December, 2024.

GRI Standard	Disclosure	Location	Omission	Reason for Omission
GRI 1: Foundation 2021				
General Disclosures				
GRI 2: General Disclosures 2021				
	1. The Organization and its Reporting Practice			
	2 - 1 Organizational details	12,13		
	2 - 2 Entities included in the organisation's report	11		
	2 - 3 Reporting period, frequency and contact point	1,2		
	2 - 4 Restatements of information	-	we don't have any	
	2 - 5 External Assurance	-	have not yet started	
	2. Activities and Workers			
	2 - 6 Activities, value chain and other business relationships	24		
	2 - 7 Employees	22,23		
	2 - 8 Workers who are not employees	-		
	3. Governance			
	2 - 9 Governance Structure and Composition	14,15		
	2 -10 Nominating and selecting the highest governance body	30		
	2 -11 Chair of the highest governance body	14		
	2 -12 Roles of the highest governance body in overseeing the management of impacts	14,15		
	2 -13 Delegation of responsibility for managing impacts	15		
	2 -14 Roles of the highest governance body in sustainability reporting	14		
	2 - 15 Conflict of Interest	30		
	2 - 16 Communication of Critical Concerns	30		
	2 - 17 Collective Knowledge of the highest body	30		
	2 - 18 Evaluation of performance of the highest body	30		
	2 - 19 Remuneration Policies	30		
	2 - 20 Processes for Determination of Remuneration	-	information disclosed in annual financial statements	
	Strategy, Policies and Practice			
	2 - 22 Statement on Sustainable Development Strategy	0		
	2 - 23 Policy Commitments	16		
	2 - 24 Embedding Policy Commitments	16		
	2 - 25 Process to remediate negative impacts	-	information unavailable	
	2 - 26 Mechanisms for seeking advice on raising concerns	-	information unavailable	
	2 - 27 Compliance with Laws and Regulations	30,31		
	2 - 28 Membership with Business Associations	-		
	4. Stakeholder Engagement			
	2 - 29 Approach to Stakeholder engagement	31		
	2 - 30 Collective Bargaining Agreements	-	Collective Bargaining Policy yet to be developed to govern agreements	

GRI Content Index (Cont.)

Statement of Use

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NBM plc has reported with reference to the GRI Standards for the period 1st January to 31st December, 2024.

GRI Standard	Disclosure	Location	Omission	Reason for Omission
Material Topics				
GRI 3: Material Topics 2021	3 – 1 Processes to determine Material Topics	18		
	3 – 2 List of Material Topics	18		
Economic Performance	3 - 3 Management of Materials Topic		information disclosed in annual financial statements	
Tax	3 - 3 Management of Materials Topic		information disclosed in annual financial statements	
Indirect Economic Value	3 - 3 Management of Materials Topic	6,7		
Waste	3 - 3 Management of Materials Topic	20		
Water and Effluents	3 - 3 Management of Materials Topic	20	not material to financial institution	
Emissions	3 - 3 Management of Materials Topic	20		
Energy	3 - 3 Management of Materials Topic	20		
Employment	3 - 3 Management of Materials Topic	22,23		
Training and Education	3 - 3 Management of Materials Topic	23		
Occupational Health and Safety	3 - 3 Management of Materials Topic	25		
Customer Safety and Health	3 - 3 Management of Materials Topic	25		
Materials	3 - 3 Management of Materials Topic	-	not material to financial institution	
Marketing and Labeling	3 - 3 Management of Materials Topic	-	information unavailable	
Local Communities	3 - 3 Management of Materials Topic	26,27,28		
Anti - Corruption	3 - 3 Management of Materials Topic	30		



Sustainability Report

2024

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