

PROGRESS IN UPHOLDING THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

CRDB Bank Group continues to make contributions to sustainability through its business across all markets. Our long term strategy fully addresses the ten principles of the UN Global compact on issues of human rights, labour, environment and anti-corruption.

Upholding Human Rights

Our Group believes in upholding internationally proclaimed human rights and is committed to ensuring that it is not complicit in any forms of human rights abuses in all our market operations. During the past year, we continued to sustain our efforts in engaging stakeholders on various issues around the topic of human rights as part of our stakeholder engagement strategy. The strategy extrapolates our material issues and guides our engagements with a cross-section of stakeholders especially clients operating large scale businesses such as industries, mines and agricultural projects.

We intend to ensure we create an environment where there's transparency in our dealings. Our financing policies for clients take into consideration their sustainability plans and closely examines individual recipient company policies on labour and human rights. We also require our clients as well as suppliers to sign anti-corruption declarations to maintain the integrity of our business relationships. During the 2020 FY, the Group held more than four forums with stakeholders during which some of the topical issues around sustainability was discussed.

Progressive labour relations

CRDB Bank is committed to developing human resources sustainably to improve quality, competence and employee welfare. We strive to be transparent through our communication tools such as intranet, circulars and corporate communication emails to keep all employees informed about our Group employment policies and other relevant information.

As one of the largest employers in Tanzania, CRDB Bank has progressive policies on labour with a special focus on inclusivity and diversity. During the year we furthered our efforts in strengthening our human resource function by creating enablers of people transformation through robust career progression plans, leadership training and capacity building. We have an idea to build a vibrant workforce that thrives long into the future.

The 2020 FY presented unique challenges for our Group, considering the disruptions occasioned by the global health crisis. Nevertheless, we continued our pursuit to improve the welfare of our staff, taking health into utmost consideration. Our immediate priority during the COVID-19 pandemic was to protect our staff by providing hygiene amenities including face masks and sanitisers. This was done alongside an aggressive awareness campaign to empower all staff across all our operations the preventive hygiene practices to mitigate the spread of the COVID-19



Our business continuity plan provided for flexibility in working including the adoption of Working From Home (WFH) and virtual working. We believe that this, coupled with other mitigation plans made a huge difference in keeping both our staff and customer safe during the pandemic. We continue to explore practical interventions to protect our staff and foster the Group's longevity.

We are committed to developing favourable and productive industrial relations, our Human Resources policy is annually reviewed and recommendations from key stakeholders such as Trade Union representing staff views are considered. We believe that the best performance is achieved through the creation of a favourable working climate. This is developed and reflected in our corporate culture. A favourable working climate is developed with an awareness of healthy performance competition, through a transparent and fair assessment for individuals.

As an employer, we pay great attention to efforts to create occupational safety in the office environment, through the development and structuring of the workspace concerning the following:

- Completeness and appropriateness of facilities and working environment;
- Cleanliness of the working environment;
- Harmony in working layout; and
- Completeness and appropriateness of security measures

The welfare of our employees remains central to our growth strategy and we continue to manage employee compensation and benefits in a competitive position in the banking industry. We provide regular salary increments and bonuses for employees based on the performance, as a manifestation of its commitment to improving employee welfare.

Occupational Health and Safety is also an agenda for our business. The Group conducts regular training for all employees to equip them with the necessary skills and knowledge on safety at the workplace.

Championing environment sustainability

CRDB Bank Group's aspiration to be an environmental steward moved a notch higher in 2020 with the launch of a three-year afforestation campaign dubbed *Pendezesha Tanzania* (loose translation 'beautify Tanzania'). The initiative is conceptualised to champion tree planting in urban areas to mitigate human pollution brought about by human activity and urban settlement. The campaign targets to plant 100,000 trees in three years. It also seeks to drive public awareness initiatives on sanitation through regular cleaning exercises. During the inaugural event held in September, the Group, alongside the local administration in Goba Ward of Dar es Salaam, planted about 2,000 trees in all primary and secondary schools in the ward. Participants also cleaned up clogged drainages stretching more than 10kms as part of community sensitization on environmental hygiene.

The Group's commitment to the environment is unquestionable and is determined to play an active role in protecting the environment as per the Sustainable Goals (SDGs). The Bank



continues to align its actions and activities with the broad aspirations contained in the SDGs. The Environment pillar emphasizes the adoption of practices that support the global determination to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations.

Our daily operations align business performance with a commitment to environmental, social and community stewardship, encompassing three key elements: Reducing the environmental footprint of our operations, Engaging openly on sustainability issues and supporting sustainable development. We have devised a holistic approach to sustainability in our business model to drive value creation for all our stakeholders using environmental, social and economic indicators, which inform our decision making.

We have made considerable investments to protect our natural and built environment, improve human and ecological health and endeavoured to not compromise our way of life.

Environmental Indicators

Ecological protection & Restoration	CRDB Bank remains committed to conserving the environment and takes an active role in championing conservation initiatives to protect our precious ecology. Through our comprehensive Corporate Social Investment (CSI) policy, we invest a significant amount of money annually towards environmental conservation and rehabilitation activities. We are actively involved in reforestation efforts, working with the government and other partners to improve our country's forest cover.
Green Design & Construction	As a business, we have put in place stringent policies that govern the design and construction of our buildings to encourage energy efficient and environmental friendly establishments. These policies also guide the Group on acquisition of facilities for rental purposes, to ensure that we procure properly designed building that reduce water use and the generation of greenhouse gasses, pollution and waste during the lifetime of the building.

Anti-corruption

We are committed to acting lawful, ethically and with integrity. The Group Anti-Corruption Policy establishes controls to ensure our employees behave ethically and with integrity.

CRDB Bank has a zero-tolerance approach towards bribery, corruption and fraud. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. We commit to implementing and enforcing effective systems to counter bribery, corruption and fraud. This policy is set to help our employees identify which corrupt business practices are prohibited in their day to day work so that

corruption is avoided. It outlines acceptable and non-acceptable behaviours to ensure the Group's business is conducted in a socially responsible and ethical manner and in compliance with all applicable legislation.

We are committed to upholding all laws relevant to countering bribery, corruption and fraud in all the jurisdictions in which we operate, including specific consideration.

Driving social impact through our CSI programs

CRDB Bank's transformation journey is an inclusive one. Right from the time when Group embarked the journey, its founders made a conscious decision to endeavour to elevate the communities around us. In line with our sustainability agenda, we continue to implement programs that not only uplift individual livelihoods, but also transform the community.

Despite the ravages of the COVID-19 pandemic, our Group continued to advance its sustainability agenda in 2020 with a TZS1.9 billion investment in social initiatives, focusing on the strategic pillars – Health, Education, Environment and Youth & Sports. The strategic pillars form the basis of the Group's social responsibility approach and, are engrained in our value system because we understand their transformative capability.

Investing in Inclusive healthcare

Healthcare is a priority area for us because we hold a simple, yet powerful belief that when people are healthy they are more likely to be productive. For more than two decades, CRDB Bank's investment in the health sector has continued to increase with a sustained focus on infrastructure expansion and purchase of medical equipment. Amazingly, the Group's contributions have had a far-reaching impact in as far as enabling the country to improve its capacity to provide healthcare to its citizens. With the unprecedented events of 2020, especially with the outbreak of COVID-19, the Group's support to the sector in both Tanzania and the Republic of Burundi would not have been more appropriate.

Understanding the unique challenges of 2020, our Bank was among the first corporate organisations that swung into swift action to support mitigation efforts for the novel coronavirus. Besides providing financial support (more than TZS 150 million in cash donation), the Group played the role of a corporate champion for the public health guidelines including handwashing, social distancing and implanting the Working From Home (WFH) concept the actions were consistent with the groupwide social responsibility programs.

In furtherance of the Group's annual investment in healthcare, a total of TZS680 million was extended to the healthcare sector being inclusive of the cash donation to the National Health Fund for COVID-19 response. A chunk of the funds was channelled towards expanding



healthcare infrastructure, mainly construction of dispensaries, wards and purchase of medical equipment.

Through the partnership with the Jakaya Kikwete Cardiac Institute, the Group also sustained its support towards paediatric health through a TZS200 million grant. The funds were proceeds of a fundraising marathon event held in July 2020, which brought together a dozen corporate partners and attracted more than 5,000 participants. The Marathon, christened CRDB Marathon 2020 was themed "*Kasi isambazayo tabasamu*", loosely translated as 'speed that spreads a smile.' The marathon, which was a huge success, has been adopted as a calendar event for the Group and will seek to bring aboard more like-minded partners.

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Social transformation through Education

Our Group believes that education is an equalizer and holds the key to addressing inequalities brought about by poverty. Since its establishment, CRDB Bank has been investing in the improvement of the education sector with a special focus on the quality of education in public schools. Through donations, grants and loans to the sector, we have been able to make a significant impact, building on the efforts of public sector programs and other stakeholders in the education sector.



During the 2020 financial year, the Group invested a total of TZS640 million in the sector. The investment mainly targeted infrastructure upgrades to improve the learning conditions for students and resourcing of schools with tools to facilitate learning. There was consideration for the construction of library facilities, classrooms, dormitories, purchase of laboratory equipment and construction of amenities such as ablution blocks. In the year, more than 20, fully-equipped classrooms, 5 dormitories and over 70 pit latrines were constructed in various schools around the country.

To support innovation in the education sector, the Group collaborated with the Ministry of Education to host a nationwide competition for young innovators called MAKISATU. This, alongside other programs in the sector, has propelled the country's efforts to attain quality education in line with the aspirations of the sustainable development goal no. 4 which seeks to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Supporting Youth Programs through Sports

CRDB Bank's longevity is hinged on its ability to create sustainable communities. The youth form an integral part of the communities and hold the key to their survival. Over the years, the Bank's leadership has considered investments towards programs that have a direct bearing on this ability, such as youth empowerment and wellness. Like many organizations around the world, we see sports as a great avenue for young people to make a livelihood through talent. This is what informed our policy decision to earmark it as the fourth pillar of our social investment strategy. We believe that sport can transform communities seeing that it has the potential to create employment, promote harmony and, as such, provide a useful learning platform for young people.

Despite the pandemic in 2020, we continued to do our bit to develop talents through sports while at the same time promoting active lifestyles as part of the mitigation efforts for COVID-19. A total of TZS80 million was invested in Youth, Sports and wellness programs during the year, with a significant amount channelled towards promoting talent. This culminated in a first-ever national basketball tournament in the country's political capital, Dodoma in the third quarter of the year. The tournament, christened 'Taifa Cup 2020' pooled together more than two dozen teams from 26 regions in Tanzania to a high-octane fete that provided a unique scouting ground for basketball talent. The tournament culminated in the sponsorship of 26 university students with scholarships valued at TZS38 million.

A commitment to responsible citizenship



We have a long-term commitment as a corporate citizen to invest in the community. We aspire to transform lives through our business. Whereas we have a focus on the key pillars, our Group endeavours to respond to issues within the community with a view to enriching lives.

Faced with a global pandemic and an unprecedented health crisis, 2020 presented unique challenges that changed the course for humanity. Our programs during the year also sought to address emerging problems including health emergencies.
