

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. Introduction

- 1.1. The Group in 2013 put in place an Environmental, Social and Governance Policy. The policy is applicable to FBC Holdings and all its subsidiaries. The policy has ensured that the Group's policies are in line with international best practice on issues relating to environmental, social and governance matters.

2. Principles

- 2.1. The Group adopted principles which ensure that it will comply with all applicable laws, will minimize adverse impacts and enhance positive effects on the environment. The Group has also committed to continuous improvements with respect to the management of the environment, social matters and governance and has put in place an array of management systems that effectively address the ESG risks.

3. Environmental Issues

- 3.1. The Group encourages companies and businesses in which it is invested in or in which it provides funding to make efficient use of natural resources and to protect the environment wherever possible. In this regard, the Group has embraced in full the provisions of the Environmental Management Act: Chapter 20:27. The Act seeks, among a variety of measures, to advise on national goals and objectives and determine policies and priorities for the protection of the environment and also seeks to promote co-operation among public departments, local authorities, private sector and non-governmental organizations and such other organizations engaged in environmental protection programmes.
- 3.2. Following the putting in place of the ESG policy, the lending units of the Group are now in the process of revising their Credit Policies so as to include provisions on environmental protection. The Group will not lend to or invest in organizations which do not embrace environment protection principles. Particular attention will be focused on organizations whose operations are most likely to have a damaging impact on the environment such as mining companies and those that discharge industrial waste.

4. Social Matters

- 4.1. The Group treats all its employees and contractors fairly and respects their dignity, wellbeing and diversity. In this regard, the Group has an array of policies that ensure that its employees are treated fairly. The policies include the Human Resources Policy, Training & Staff Development Policy, Performance Management Policy, Staff Promotion & Transfer Policy, Job Evaluation Policy, Employee Relations & Communications Policy, Leave Policy, HIV & AIDS Policy, Health & Safety Policy, Ethical Standards Policy and a lot more other policies.

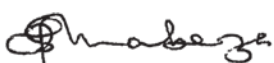
- 4.2. By the same token, the Group will encourage businesses in which its capital is invested in or in which it provides funding to treat all their employees fairly and to respect their dignity, well-being and diversity.
- 4.3. The Group's Human Resources Policy is in compliance with national laws. The Group has ensured that it does not employ or make use of forced labor of any kind and neither does it employ or make use of harmful child labor. The Group has always paid wages which meet or exceed industry or legal national minima.
- 4.4. A Works Council is in place and its major function is to allow a consultative-work place structure and association which provide employees with an opportunity to present their views to management.
- 4.5. A number of policies, which includes a Wellness Policy, have been put in place so as to ensure safe and healthy working conditions for employees and contractors of the Group. Efforts are under way to ensure that a safe and healthy environment exists in the businesses the Group invests in.

5. Governance Issues

- 5.1. Management have ensured that the FBC Group and the businesses in which it invests in or provides funding to, exhibit honesty, integrity, fairness and diligence in all business dealings.
- 5.2. The Group advocates international best practice in relation to corporate governance in the Group and the companies in which its capital is invested. A Group Board Charter, which is applicable to all the SBU's of the Group, is in place.
- 5.3. Among other issues, the Group in all respects complies with all applicable laws and international best practice, upholds high standards of business integrity & honesty, deals with regulators in an open & co-operative manner, properly records, report & review financial information and has clearly defined responsibilities, procedures and controls with appropriate checks and balances in the Group's management structures.

6. Exclusions

- 6.1. The Group has specific businesses where its capital will not be invested in. The Group's capital will not be invested in the production of or trade in any product or activity deemed illegal under applicable local or national laws or regulations, banned by global conventions and agreements, such as certain hazardous chemicals, pesticides & wastes, ozone depleting structures, endangered or protected wildlife or wildlife products, production of or trade in arms and production of, use of or trade in unbounded asbestos fibres, except where the asbestos content is less than 20%.
- 6.2. The Group's capital will also not be invested in gambling, pornography or tobacco related products, except in the case of tobacco production only, with an appropriate timeframe for phase-out.



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