

Sustainability



- Our Sustainability Approach

- Stakeholder Engagement

- Sustainability Materiality Assessment

Sustainability

Our Sustainability Approach

Our approach to sustainability is rooted in integrating responsible practices, policies, and decisions that create long-term value. As we deliver financial solutions, we are committed to incorporating sustainable practices in all our operating segments. We reflect inclusivity, support of poverty alleviation, empowerment, and equality across all stakeholders.

Stakeholder Engagement

In the highly competitive financial sector, building strong stakeholder relationships is vital to long-term success. As ZB, we engage a broad spectrum of stakeholders through our Stakeholder Management Plan for Sustainability (STAMPS), ensuring their views are integrated into our High Impact Goals. Led by a multidisciplinary Stakeholder Management Task Force, this initiative fosters trust, enhances confidence, and provides a competitive advantage by aligning strategies to emerging challenges and opportunities.

ZB is aware of its stakeholder groups but continues to enhance the engagement process by evaluating potential stakeholders through brainstorming and categorisation. We continue to research our customers, employees and regulators needs for continued alignment of objectives. Our stakeholders interest continues to influence our decision making as we thrive to merge expectations.

Key stakeholder groups:

Internal Stakeholders

- Employees
- Shareholders & Potential Investors

External Stakeholders

- Government and Regulators
- Communities
- Suppliers
- Customers

Why do we engage with our stakeholders?

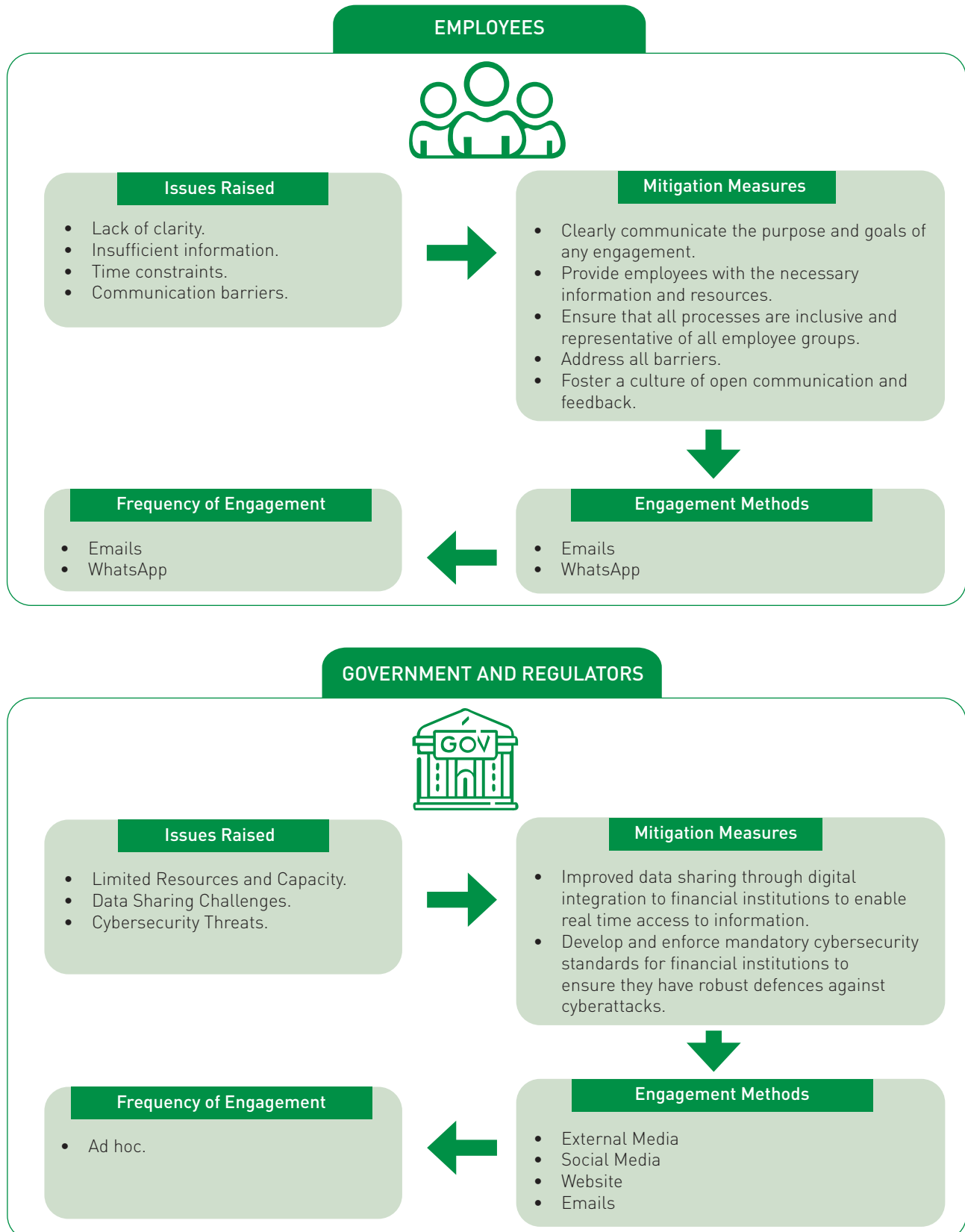
The primary objective of stakeholder engagement is to build trust and mutual understanding, forming a strong foundation for the Group's long-term sustainability. Actively involving stakeholders in decision-making provides valuable insights into their expectations and concerns, enabling us to align our strategies accordingly. This approach supports risk mitigation, regulatory compliance, and improved social and environmental outcomes, while fostering a sense of collaboration that drives innovation and continuous improvement.

How we engage?

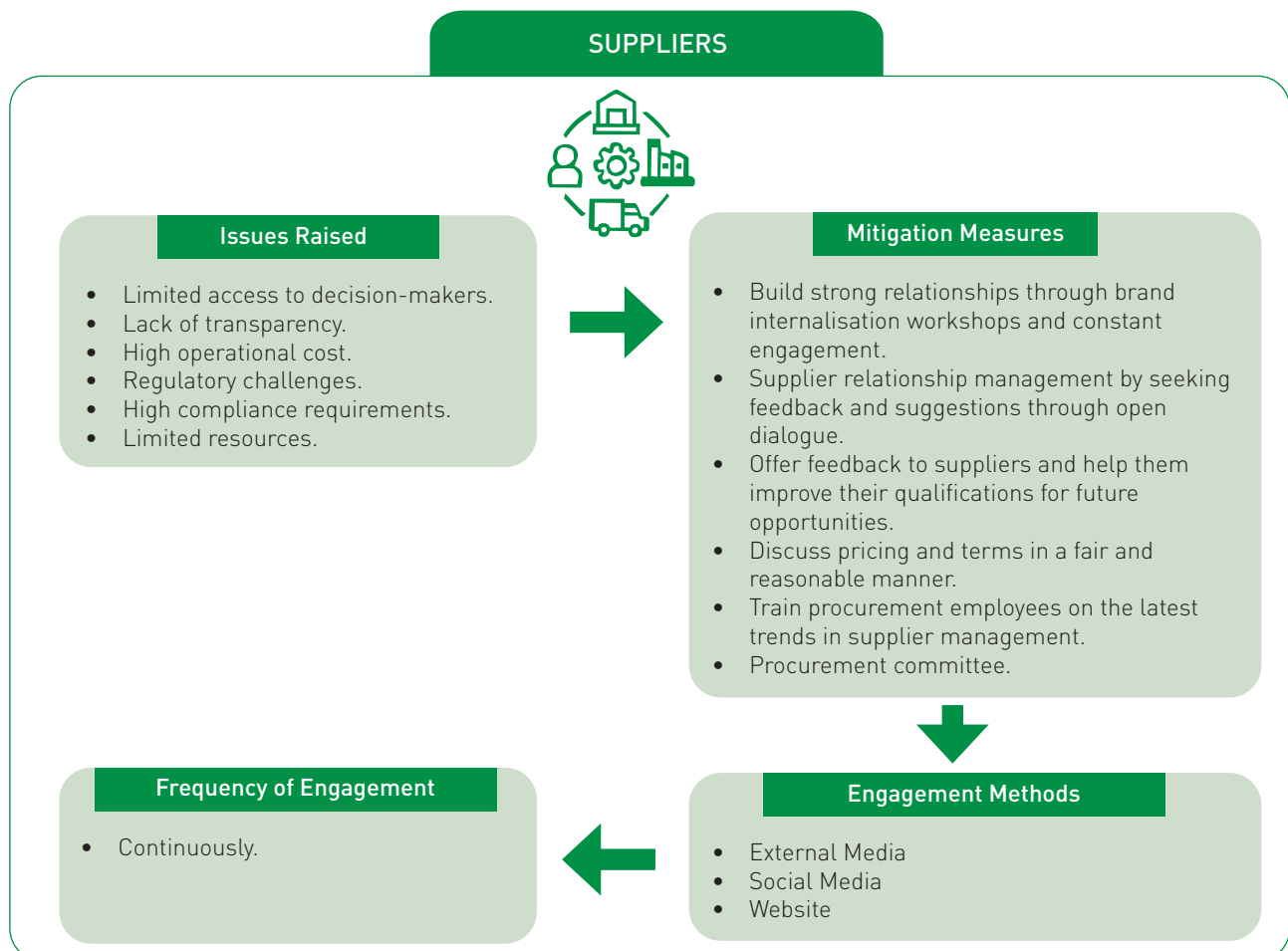
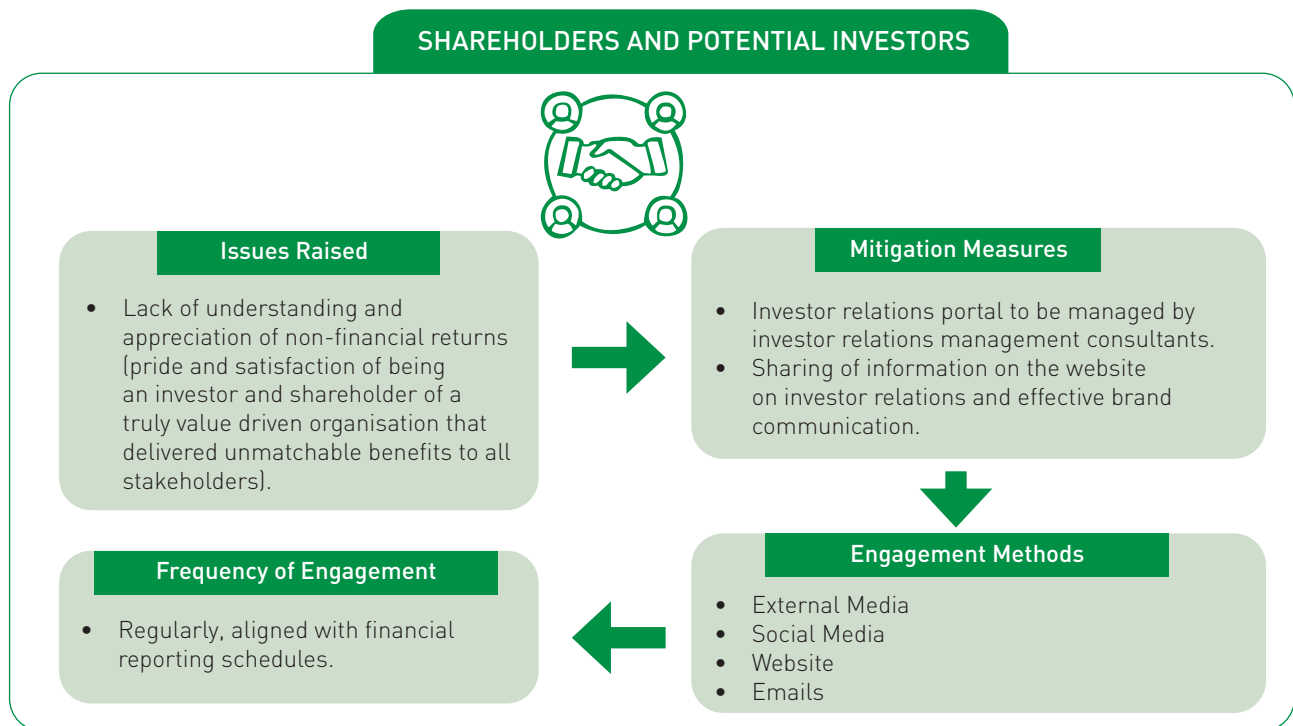
We engage with our stakeholders through open, consistent, and structured communication to build trust and create long-term relationships. By actively listening and understanding their needs and expectations, we enhance the quality of our decision-making and align our strategies with stakeholder priorities. This engagement enables us to anticipate and manage risks, drive performance improvements, and encourage innovation across the Group. Through transparent interactions, we strengthen accountability and promote a culture of social responsibility, ensuring our actions contribute meaningfully to sustainable development.

Sustainability (continued)

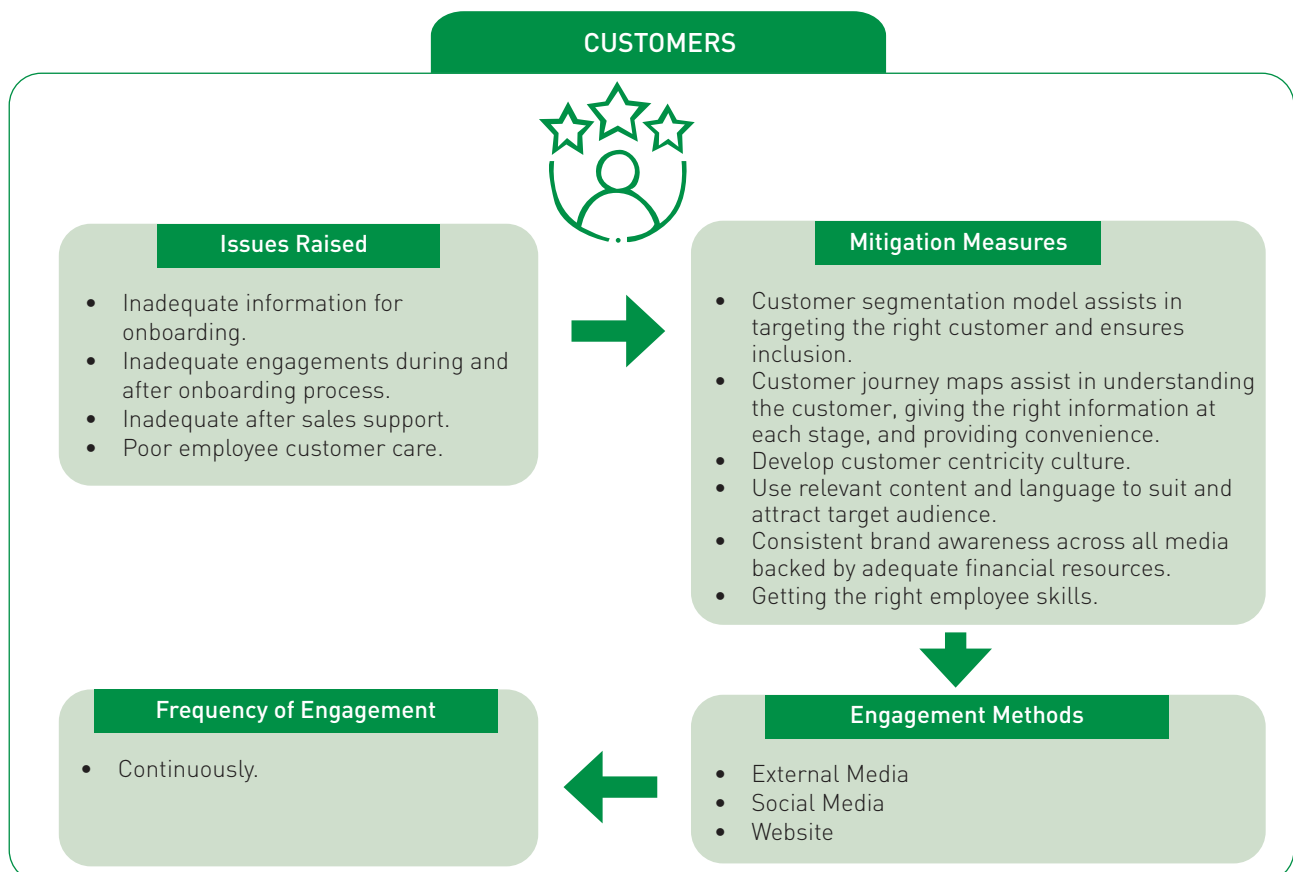
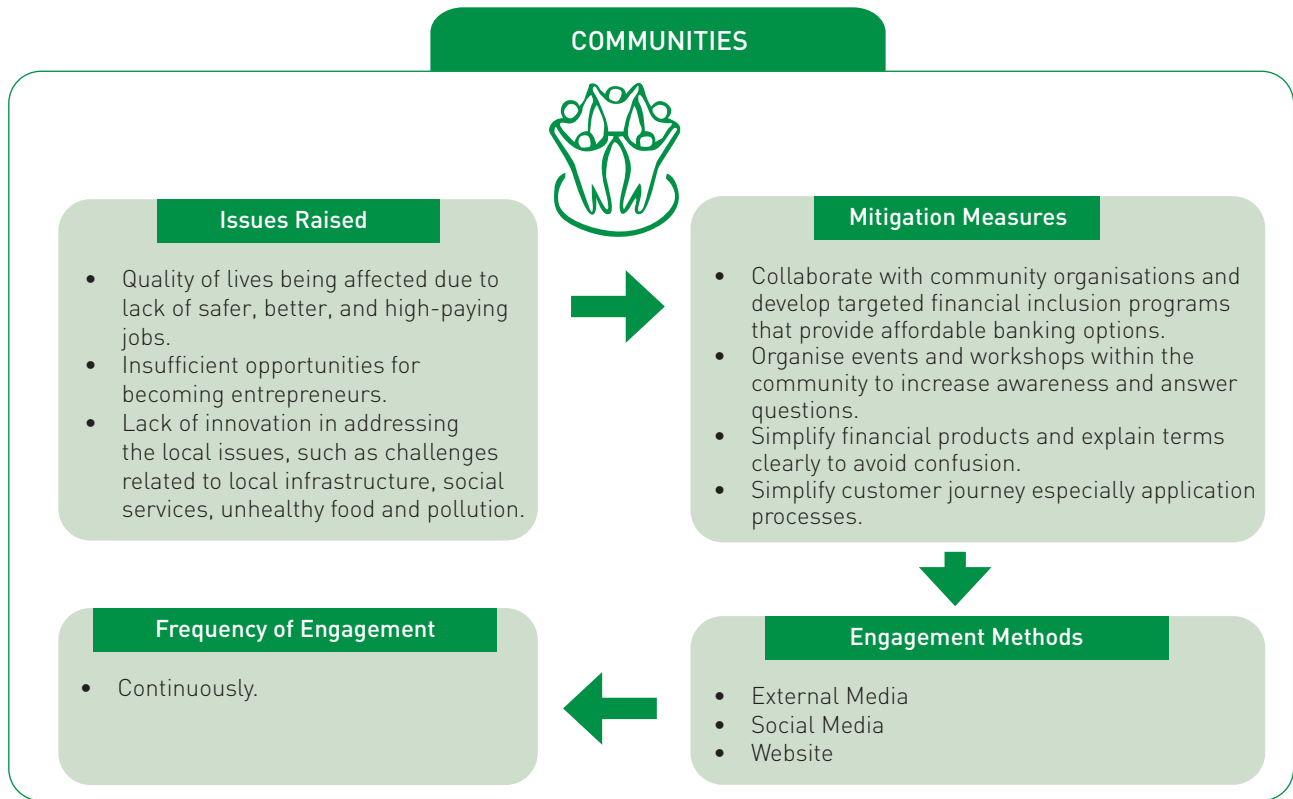
The following material issues were raised by our stakeholders during the reporting period:



Sustainability (continued)



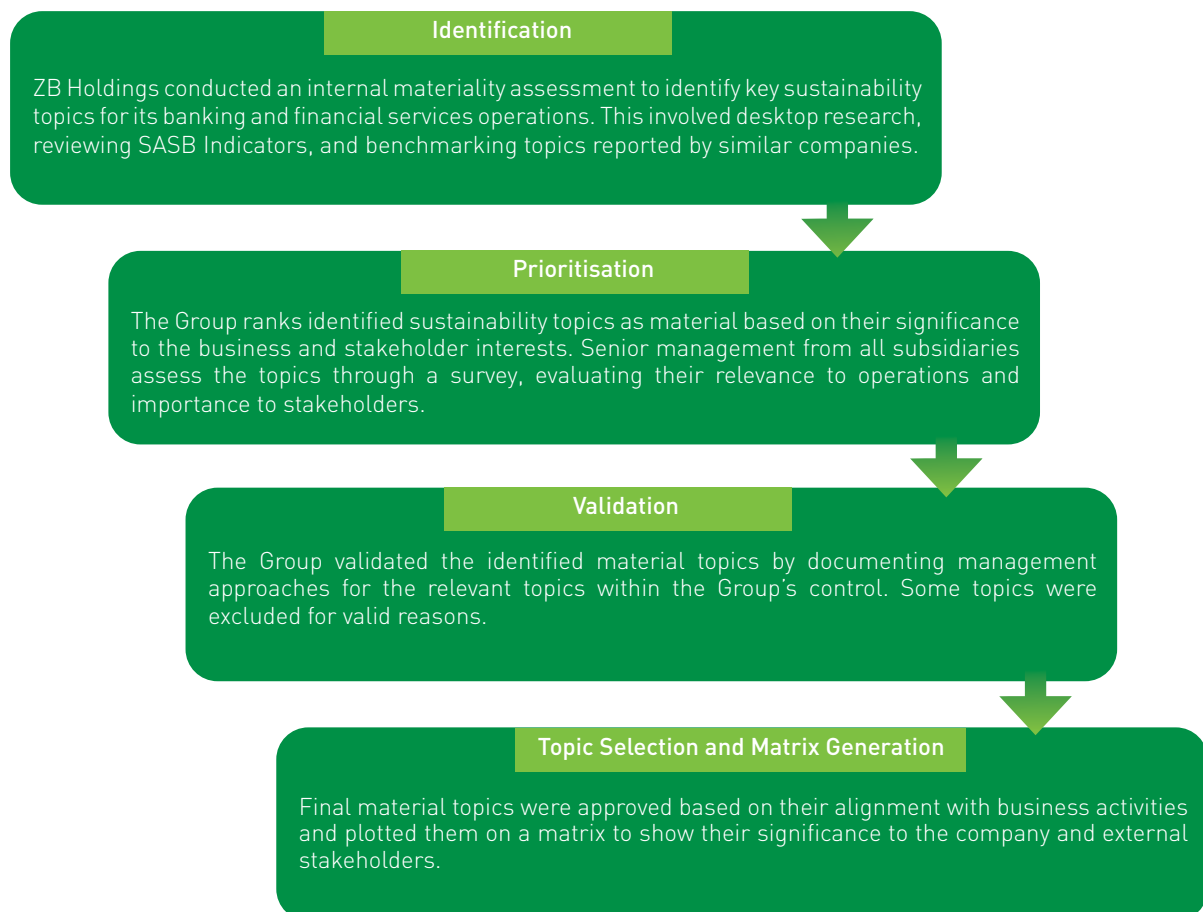
Sustainability (continued)



Sustainability (continued)

Sustainability Materiality Assessment

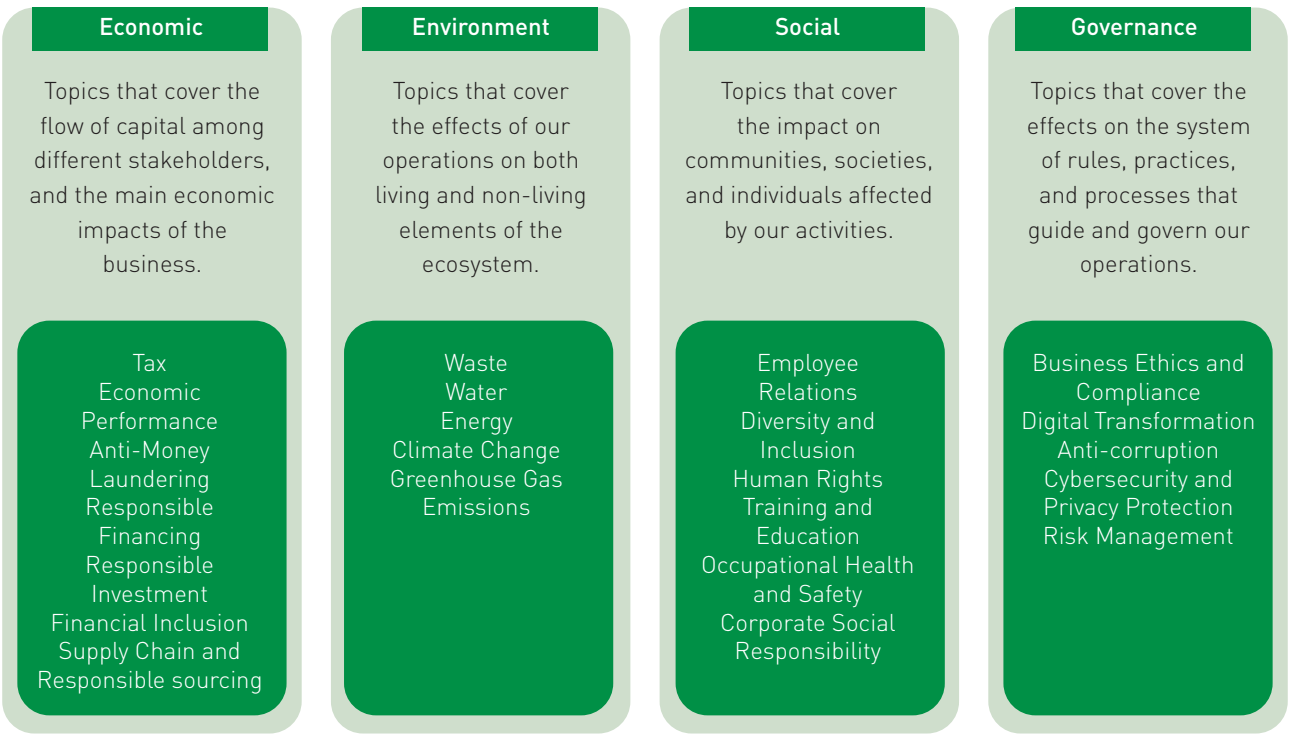
We conducted a thorough assessment of sustainability factors to identify and prioritise the most significant Environmental, Social, Economic, and Governance (ESG) issues relevant to our operations. This process was guided by a commitment to transparent sustainability reporting, aligned with the Global Reporting Initiative (GRI) Standards (2021), which follow the principle of double materiality considering both the impact of the business on the environment and society, and how ESG issues affect the Group's performance. We integrated metrics from the Sustainability Accounting Standards Board (SASB) and performed benchmarking against best practices observed in other financial institutions. We incorporated insights from key external stakeholders, drawing on input provided by internal departments to determine which issues might be material from the perspective of customers, investors, regulators, and the broader community. This evaluation process allowed us to identify and focus on material ESG topics that could influence our operational resilience, financial health, reputation, and ability to create long-term value.



Sustainability (continued)

Material Topics

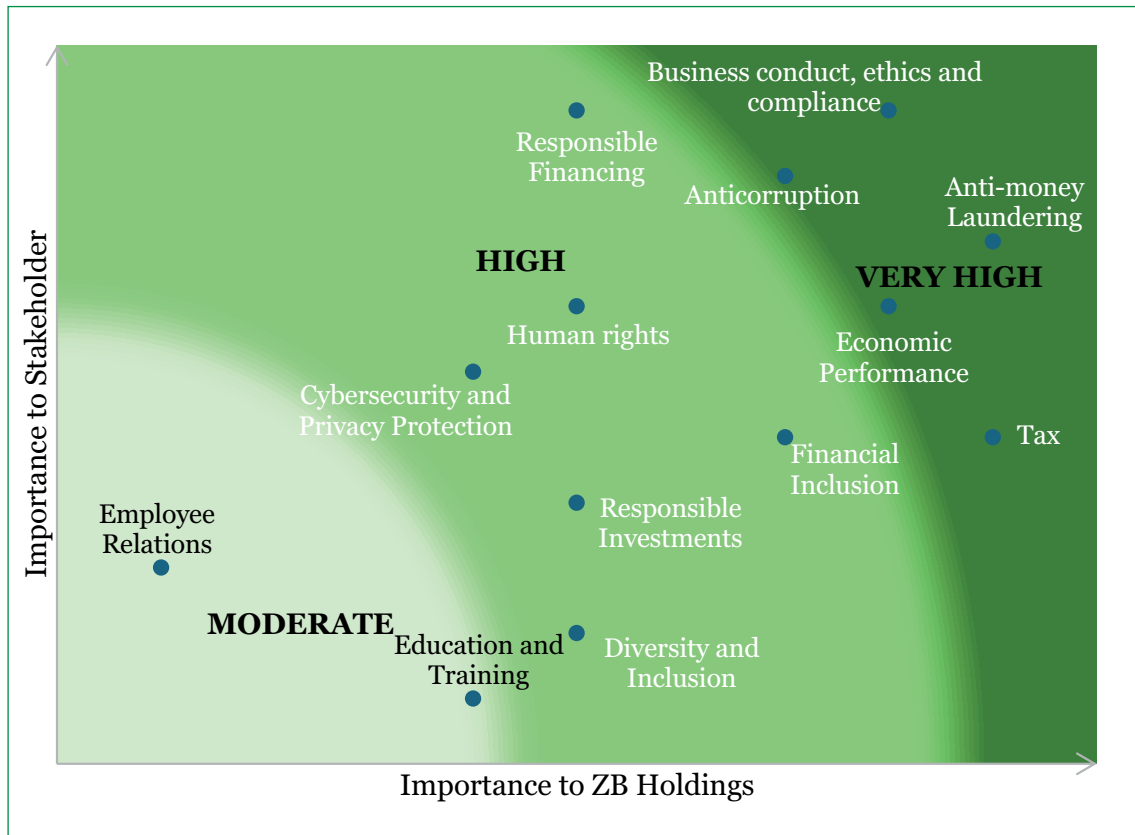
The identified topics were categorised into economic, environmental, social and governance as presented below:



Materiality Matrix

The matrix shown in the scatter graph below illustrates the results of issues identified and prioritized according to their importance to the Group and their potential impact on stakeholder decisions. The issues are plotted based on the total number of topics surveyed, which were narrowed down to the top fifteen (15) topics.

Sustainability (continued)



Very High: Those regarded by the business and stakeholders to be of significant interest.

High: Reflects where measures are in place to manage the impacts while improvements continue to be implemented.

Moderate: Reflects where significant efforts were made to address them.

The following topics were ranked as most significant:

- Anti-Money Laundering
- Business Conduct, Ethics and Compliance
- Anticorruption
- Tax
- Economic Performance

Delivering Responsible Financial Services



Driving Strategic Growth and Digital Evolution

- Managing Investments Responsibly
- Financing with Purpose
- Optimising Transaction Processing and Efficiency
- Innovating for Sustainable Digital Solutions

Placing Customers at the Centre

- Enhancing Customer Satisfaction and Building Trust
- Expanding Financial Inclusion
- Improving Agility Through Self Service Channels
- Ensuring Access and Affordability of Financial Services

Delivering Responsible Financial Services

Delivering responsible financial services involves prioritising customer protection, ethical lending, and financial inclusion. The Group ensures that its products and services are designed to meet the needs of diverse communities, while maintaining the highest standards of integrity, accountability, and compliance with regulations.

Driving Strategic Growth and Digital Evolution

We focus on leveraging technology to enhance operational efficiency, customer experience, and market competitiveness. The Group embraces digital transformation to expand its offerings, streamline processes, and create innovative solutions, ensuring sustained growth while adapting to evolving market demands.

Managing Investments Responsibly

ZB aims to make investments that create long term value to stakeholders, this is why we have a diversified portfolio of a banking cluster, insurance cluster and investments cluster. This allows us to diversify the risks of our investment portfolio therefore protecting shareholder value during downturns in certain market segments. The above has been witnessed in our financial performance in the current year as total assets increased by 104% and Net Profit After Tax by 4%.

We have an external focus by providing support to Small and medium-sized enterprises (SMEs) to stimulate local economic growth and job creation. There are other opportunities we look at such as ESG-complaint funds that could accelerate the transition to a low-carbon economy. However, in our drive for value and return we may underinvest in socially beneficial sectors, indirectly supporting activities affecting land rights and vulnerable communities. As a result, the group continues to work on its ESG screening practices.

Our aim is to integrate the ESG criteria as a pre-investment evaluation for all investments across our asset classes. We have adopted mandatory ESG risk assessments before investment approval. This has allowed us to have investee companies that are focused on good corporate governance and positive social impact. We have allocated capital to socially beneficial investments and supported climate adaptation projects.

Processes	Goals	Targets KPIs	Stakeholder Engagement
<ul style="list-style-type: none">The use of ESG performance monitoring toolsStakeholder and Investee engagement feedback	<ul style="list-style-type: none">Integrate ESG principles across all investment decisionsReduce exposure to high -risk and non-ESG compliant sectorsAllocate a certain percentage of total portfolio is sustainable or impact investments	<ul style="list-style-type: none">100% of new investments screened using ESG criteriaPercentage of portfolio ESG screenedNumber and Value of sustainable/impact investments	<ul style="list-style-type: none">Regular feedback gathered from investors and shareholders expressed the importance of increasing our sustainable investmentsThe Group integrated more comprehensive ESG metrics into investment decision-making and enhancing its sustainable investment targets.

Relevant SDG:



Delivering Responsible Financial Services (continued)

Financing with Purpose

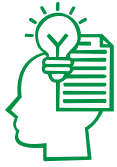
Qupa Microfinance, as an expansion of the Group's financial services, has successfully tapped into the fast-growing informal market, delivering value to low-income customers and increasing business in areas beyond traditional banking reach. The Group has increased its shareholding in a property company (Mashonaland Holdings Limited) to enhance property delivery for customers. However, rising interest rates pose challenges, discouraging borrowers due to higher repayment burdens. Each year, the Group allocates a budget for lending to customers, assessing lines of credit before approval in accordance with its defined credit policy. As part of the credit issuance procedures, the Group evaluates potential drawbacks of client proposals, with credit committees composed of individuals from diverse backgrounds to identify any risks related to lending and sustainability requirements. The loan granting team undergoes ongoing training to stay updated on the latest advancements in sustainable lending practices.

Optimising Transaction Processing and Efficiency

Fast, real-time transactions enable efficient payments, remittances, and digital commerce, allowing businesses to maintain efficient transaction flow. Automation of transaction systems reduced processing errors, operational inefficiencies and allowed resources to be directed towards innovation and service delivery. However, this emphasis on automation can also lead to the exclusion of populations without access to technology or internet connectivity particularly the rural population. Technology comes with exposure to vulnerabilities such as hacking and phishing if security measures are not adequate. The Group's dependence on third-party vendors for transaction processing means that any delays or failures in these systems can impact its ability to provide timely services.

Actions	Evaluation Systems	Goals	Targets	KPIs	Assessment
<ul style="list-style-type: none"> Upgrading transaction processing infrastructure to ensure that systems can handle large volumes of transactions without compromising speed or efficiency. Developed offline transaction solutions (e.g., USSD codes, mobile agent networks) for customers in areas with limited or no internet access. Developed an incident response plan that includes clear steps for diagnosing and resolving transaction processing failures, such as system crashes or payment gateway interruptions. Actively collaborating with fintech startups, banks, and mobile network operators to expand access to fast payment processing. 	<ul style="list-style-type: none"> Quarterly internal audits to assess the performance of our transaction systems. These audits focus on transaction processing times, system uptime, error rates, and compliance with internal standards. The Group regularly collects feedback through customer satisfaction surveys. Monitoring the number of complaints and support tickets related to delayed transactions. 	<ul style="list-style-type: none"> Ensure that all transactions, both domestic and international, are processed as quickly as possible without compromising security or customer experience. 	<ul style="list-style-type: none"> Achieve a system uptime of 99.9% or higher for transaction processing platforms. 	<ul style="list-style-type: none"> The average time taken to process a transaction, from initiation to completion, across all transaction types. The percentage of time that transaction systems are fully operational, excluding scheduled maintenance periods. 	<p>Our efforts resulted in a significant reduction in processing time, with improvements in both manual and digital transactions.</p>

Delivering Responsible Financial Services (continued)



Key Lesson

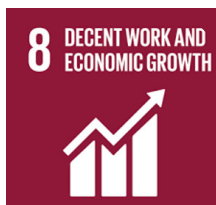
Flexibility in process design is essential for adapting to both planned and unplanned operational demands. Investing in continuous training ensures that employees can effectively integrate evolving automation tools, maximising efficiency. Regular performance reviews and feedback loops are critical for identifying and addressing bottlenecks swiftly.



Stakeholder Engagement

Insights from customers highlights the need for faster service and enhanced digital accessibility, driving the acceleration of our digital transformation and automation initiatives. Maintaining ongoing dialogue with regulators has allowed us to ensure compliance with evolving standards while simultaneously improving transaction efficiency.

Relevant SDGs:



Innovating for Sustainable Digital Solutions

ZB Holdings is embracing innovation and digitalisation to transform its communication channels, while enhancing audience engagement. We ensure that all our digital platforms such as mobile banking, online loans and fintech applications have financial services for the low income, remote and underserved population. Due to the data security benefits, we have increased the use of cloud computing and virtual infrastructure. However, customers without internet access, smartphones or digital literacy may have challenges in accessing our services. Our increasing reliance on digital tools may raise the risk of cyberattacks, data breaches and potential misuse of personal financial data. We therefore continue to monitor continuing and emerging risks such as potential cybersecurity breaches, unethical AI use, and violation of data protection laws.

Our digital products and services are designed to be accessible to users across varying levels of digital literacy. We maintain alternative (non-digital) channels to avoid excluding non-digital users. ZB Holdings implemented strategies to appropriately innovate and digitalise such as simplified mobile and web banking platforms, hybrid service models for remote areas, and launching a low-bandwidth mobile banking app for areas with limited internet access.

Processes	Goals	Targets	KPIs	Lessons
<ul style="list-style-type: none"> Cybersecurity audits Digital Engagement metrics monitoring 	<ul style="list-style-type: none"> Increase financial inclusion through digital services Ensure ethical and transparent use of technology 	<ul style="list-style-type: none"> Zero major data breaches 98%+ customer satisfaction with digital services 	<ul style="list-style-type: none"> % of customers actively using digital services (web, mobile apps, USSD) Number of significant cybersecurity breaches per year 	<ul style="list-style-type: none"> The need to incorporate universal design standards into our digital inclusion policy We need to conduct mandatory usability testing across diverse demographic groups before launching any new digital products The need to have a 'Hybrid channel Model' that ensures human support is available alongside digital tools (e.g. mobile agents, call-in centers)

Delivering Responsible Financial Services (continued)

Relevant SDGs:

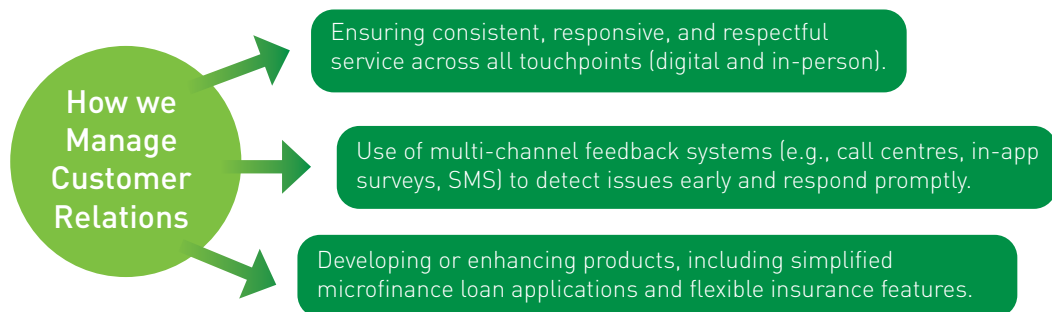


Placing Customers at the Centre

We prioritise our customers' needs by ensuring that every product, service, and strategy is designed to enhance their experience and satisfaction. This is done by focusing on personalised services, continually improving support, evaluating evolving customer expectations and building long-term relationships.

Enhancing Customer Satisfaction and Building Trust

Improved customer satisfaction has resulted in higher customer retention and loyalty, positive business growth and revenue, as customers increasingly utilise convenient and accessible services to manage their finances independently. Inconsistent service quality in certain locations has caused frustration, especially among digitally excluded users. Customers may display dissatisfaction due to system outages which are often due to maintenance schedules and inadequate customer support in remote areas. We also recognise that if digital platforms remain inaccessible to segments such as the elderly or disabled, it could further exacerbate inequality and exclusion.



Evaluation System	Goals	Targets	KPIs	Assessment
<ul style="list-style-type: none"> Collection and analysis of feedback via surveys, Net Promoter Scores (NPS), in-app ratings, and social media monitoring. Regular internal reviews of service delivery standards across branches, contact centres, and digital channels. Continuous tracking of complaint resolution timelines, escalation rates, and customer satisfaction post-resolution. 	<ul style="list-style-type: none"> Deliver consistent, efficient, and user-friendly services across all platforms. Strengthen long-term relationships through responsiveness and trust. 	<ul style="list-style-type: none"> Achieve a 90% satisfaction rate across all service channels. 	<ul style="list-style-type: none"> Customer Satisfaction Score (CSAT). First Contact Resolution Rate. Digital Platform Adoption Rate. 	<ul style="list-style-type: none"> Implementation of feedback systems, trained service staff, and digital channels has improved service speed and responsiveness across all platforms. Enhanced complaint resolution processes have reduced average resolution time and improved closure rates building customer trust.

Delivering Responsible Financial Services (continued)

Relevant SDGs:



Expanding Financial Inclusion

The Group is committed to enhancing access to affordable banking services for underbanked and unbanked populations, particularly in rural and low-income urban areas. This contributes to poverty alleviation and reduces income inequality through inclusive lending models and having loans products offered by microfinance institutions that are affordable to lower income brackets. We support women and small and medium projects by providing lending that is within our risk appetite and within their reach. The Group is cautious of potential negative impacts, such as customer over-indebtedness from credit products offered without adequate financial education and the risks associated with partnerships with fintech providers which maybe exposed to unfair lending practices.

Policy	Actions Taken	Evaluation System	Goal	Target	Assessment
<ul style="list-style-type: none"> Credit Policy 	<ul style="list-style-type: none"> Promoting financial inclusion by extending credit to marginalised populations including small farmers, micro-entrepreneurs and low-income households. 	<ul style="list-style-type: none"> Conducting due diligence on fintech and third-party partners including regular audits and compliance assessment. This is aligned with our broader mission to support inclusive economic development and reduce barriers to financial access. 	<ul style="list-style-type: none"> To invest in small and medium enterprises, women businesses, and microfinance to enhance financial inclusion and support diverse customer needs. 	<ul style="list-style-type: none"> Achieving 80% to 100% facility utilisation. 	<ul style="list-style-type: none"> We realised the necessity of understanding customer requirements to improve access and affordability

Delivering Responsible Financial Services (continued)

Improving Agility Through Self Service Channels

The adoption of digital self-service platforms has significantly reduced reliance on customer walks in for support, leading to improved customer support. This shift supports long-term sustainability through reduced physical resource usage such as physical paper. While digital solutions offer many advantages, the infrastructure needed to support them, such as data centres, may lead to increased energy consumption if not managed sustainably.

Actions	Processes	Goals	Targets	KPIs
<ul style="list-style-type: none"> • Ongoing technological upgrades and by ensuring that self-service solutions evolve to meet the changing needs of our customers. • We have expanded access to digital tools for customers in underserved areas through mobile-enabled self-service platforms. • We launched digital literacy initiatives and are working with local communities to offer in-person assistance where necessary. • We have continually refined our self-service platforms to offer customers greater autonomy in managing their accounts, making payments, and accessing financial products. 	<ul style="list-style-type: none"> • Regular internal audits are conducted to evaluate the efficiency and security of our self-service platforms, focusing on system performance, data security, and user experience. • We actively collect customer feedback through surveys, direct user reviews, and social media monitoring. 	<ul style="list-style-type: none"> • Enhance service agility through digital transformation by improving customer self-service platforms and increasing automation. • Empower customers to independently manage their accounts, ensuring a seamless and accessible experience. 	<ul style="list-style-type: none"> • Increase the adoption of self-service channels (e.g., mobile app, online portals) • Reduce the average transaction processing time. 	<ul style="list-style-type: none"> • Percentage increase in the number of users engaging with self-service platforms (mobile apps, websites, etc.). • Customer satisfaction ratings from surveys specifically for self-service platform users (e.g., Net Promoter Score, Customer Satisfaction Score).



Our digital transformation initiatives have significantly increased the agility of our services. Automation of routine processes and the rollout of self-service platforms have improved transaction speed and operational efficiency.

Delivering Responsible Financial Services (continued)

Ensuring Access and Affordability of Financial Services

ZB Holdings has made strides in improving access and affordability of services by expanding affordable products to underserved populations, particularly in rural and low-income areas, thereby supporting economic participation and financial security for the marginalised groups. The availability of 24/7 banking through mobile apps has reduced geographic barriers. We are also monitoring risks on data-driven lending tools that could inadvertently introduce algorithmic bias against minority groups. Artificial intelligence (AI) driven solutions may lead to higher interest rates for demographics with certain risk profiles such as poor credit scores.

Efforts to Improve Access and Affordability	Evaluation Systems	Goal	Target	KPI	Assessment
<ul style="list-style-type: none"> The Group invested in low-bandwidth mobile banking solutions and offline access options. This ensures that digital banking services are accessible even in areas with limited internet infrastructure. We launched extensive financial education programs, both online and in local communities, to enhance the financial literacy of low-income and marginalised groups. We implemented debt relief programs. This includes loan restructuring, which allows customers to renegotiate loan terms to lower interest rates, extend repayment periods, or temporarily defer payments. The introduction of a mobile banking app allows customers to manage their accounts, make transfers, and access financial advice from anywhere. 	<ul style="list-style-type: none"> Reviewing product offerings, customer feedback, and compliance with internal standards on pricing, transparency, and service delivery. 	<ul style="list-style-type: none"> Offer competitive, low-cost financial products that are affordable for customers at all income levels, especially those in low-income or vulnerable segments. 	<ul style="list-style-type: none"> Achieve year-over-year growth in digital banking adoption, especially in remote or underserved areas. 	<ul style="list-style-type: none"> Number of new customers from underserved communities. 	<ul style="list-style-type: none"> The expansion of financial products, such as microloans, affordable savings accounts, and low fee checking accounts, has successfully increased access to essential financial services for underserved populations.

Strengthening Property and Asset Management



- Our Property Portfolio

- Tenant Satisfaction and Experience

- Managing Resilience to Natural Disasters

Strengthening Property and Asset Management

Effective property and asset management remains a priority to ensure the safety, functionality, and value retention of the Group's infrastructure. Through strategic investments in maintenance, security, and optimisation of physical assets, ZB Holdings supports operational efficiency and long-term sustainability.

Our Property Portfolio

Pillar	Commitment	Goal	2024 Target	2024 Progress
<ul style="list-style-type: none">Managing our real estate assets responsibly.	<ul style="list-style-type: none">In line with United Nations Decent Work and Economic Growth development goals we are committed to creating value for all our stakeholders.	<ul style="list-style-type: none">Optimise portfolio performance by increasing exposure in resilient sectors of the economy so as to generate more sustainable income	<ul style="list-style-type: none">Complete acquisition of Victoria Falls Hotel land (US\$3million)Complete disposal of Mash view Gardens and unlock residual revenue (US\$1 million).Complete construction of Pomona Commercial Centre project (US\$15 million).	<ul style="list-style-type: none">Acquisition successfully completedDisposal successfully completedPractical completion successfully attained in December 2024

Tenant Satisfaction and Experience

We recognise the importance of maintaining a strong reputation and brand by prioritising the experience of our tenants. We aim for our properties to promote environment friendly practices such as responsible water usage, proper disposal of waste and efficient use of energy. It is our expectation that our properties may experience value increases from a high occupancy rate by satisfied tenants. In our pursuit for continuous property improvement through renovations and additional amenities, we are likely to experience increased waste and increased property operational costs. Tenant satisfaction initiatives may lead to increased energy consumption and carbon emissions as we thrive to provide properties that meet our customers variable needs.

Our processes require a rigorous evaluation and selection process for all our incoming and outgoing tenants. We prioritise provision of high-quality customer service, provision of tenant support and property maintenance. We conduct periodic rent reviews, evaluate third-party service providers and review the feedback provided by our tenants for continuous improvement. Our framework for tenant feedback includes tenant satisfaction surveys and feedback sessions to inform property management strategies and amenities investment.

Strengthening Property and Asset Management (continued)

Processes	Goals	Targets	KPIs	Progress made	Lessons
<ul style="list-style-type: none"> Tenant Satisfaction Surveys Internal Performance Dashboards Annual Internal Audits Tenant Retention and Turnover Analysis 	<ul style="list-style-type: none"> Enhance overall tenant satisfaction across all properties Improve service response times and maintenance quality Increase tenant retention and lease renewals 	<ul style="list-style-type: none"> Achieve and maintain a minimum tenant satisfaction score annually across the property portfolio Increase lease renewal rate Respond to 90% of maintenance requests within 24 hours and resolve 80% within 72% 	<ul style="list-style-type: none"> Overall tenant Satisfaction score Maintenance response and resolution time Number of tenant complaints and grievances Average time to resolve complaints Property condition score (based on internal inspections and audit reports) 	<ul style="list-style-type: none"> Achieve 85% overall tenant satisfaction score 90% of maintenance issues responded to within 24 hours 	<ul style="list-style-type: none"> Proactive communication to reduce frustration Speed and quality both matter Personalisation to improve engagement Tenant experiences policy enhancement

Relevant SDGs



Managing Resilience to Natural Disasters

The Group identifies various effects of natural disasters on different sectors. Natural disasters can lead to increased demand for financial services, such as insurance claims processing and loans for rebuilding, while also accelerating the adoption of digital banking tools in areas where physical branches are inaccessible. Recovery efforts may encourage sustainable rebuilding practices through green financing and promote financial literacy and preparedness. However, challenges include rising insurance claims that may strain finances, disruptions to banking operations due to infrastructure damage, and job losses that can elevate poverty levels. Our activities may contribute to adverse outcomes by lending to or investing in businesses that engage in environmentally harmful practices, increasing the risk of natural disasters.

Strengthening Property and Asset Management (continued)

Disaster Preparedness and Recovery	Monitoring System	Goals	Targets	KPIs	Progress
<ul style="list-style-type: none"> • Risk Assessment and Management Policy - We assess natural disaster risks as part of our overall risk management framework. • We promote climate-resilient infrastructure and sustainable land-use practices through our financing and investment products. • We have invested in cybersecurity and system redundancies to minimise disruption from disaster-induced outages. • We collaborate with NGOs, governments, and multilateral institutions to co-finance rebuilding initiatives and community resilience programs. • We ensure support is accessible to vulnerable or marginalised groups, especially those disproportionately affected by disaster impacts. 	<ul style="list-style-type: none"> • Regular internal audits are conducted to assess the effectiveness of disaster risk management measures, business continuity plans, and ESG risk controls. • We engage third-party auditors and ESG consultants to independently review the impact and effectiveness of our disaster-related actions and disclosures. 	<ul style="list-style-type: none"> • Enhance the Group's resilience to natural disasters across all operations and service channels. • Support clients and communities in disaster preparedness, response, and recovery. • Integrate climate and disaster risk considerations into all financial products, investments, and underwriting practices. 	<ul style="list-style-type: none"> • Critical business operations covered by updated and tested Business Continuity Plans by the end of each fiscal year. • Reduce average service downtime after a disaster. 	<ul style="list-style-type: none"> • % of business units with tested disaster recovery plans. • Time to restore essential services after a disaster. • % of employees trained in disaster response protocols. 	<ul style="list-style-type: none"> • We introduced a 'Priority Assistance Framework' to identify and fast-track support for vulnerable customers during disaster events. • After each major disaster event, we conduct targeted surveys and feedback sessions with impacted clients, and 92% of surveyed clients rated our emergency financial relief as "satisfactory" or "very satisfactory," confirming the value and timeliness of our response.

Stakeholder Engagement on Disaster Preparedness and Recovery

Customers

What we heard?

Customers affected by natural disasters stressed the need for faster access to financial relief and simpler claims processes.

Actions Taken

- Introduced streamlined digital claims platforms for insurance pay-outs.
- Launched disaster relief loan deferral programs accessible via mobile and online banking.

What we heard?

- Employees requested clearer protocols and more training for responding to emergencies and serving clients during crisis events.

Actions Taken

- Rolled out mandatory annual training modules on disaster response procedures.
- Provided quick-reference guides and enhanced branch-level business continuity plans.

Human Capital



- How We Manage Employee Matters
- Post Employment Plans
- Creating Strong Employee Relations
- Collective Bargaining Agreements (CBA)
- Enhancing Skills Through Training and Education
- Occupational Health and Safety

Employee Hire

Headcount

77%

35 in 2024
155 in 2023



Employee Turnover

Headcount

64%

97 in 2024
59 in 2023



Human Capital

Skilled, engaged, and empowered employees are essential to drive innovation and operational excellence. The Group continues to prioritise employee development, diversity, and well-being to ensure a resilient and future-ready financial services provider.

How We Manage Employee Matters

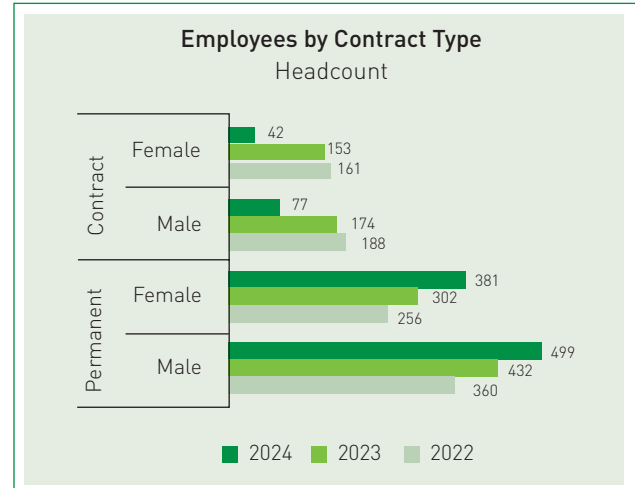
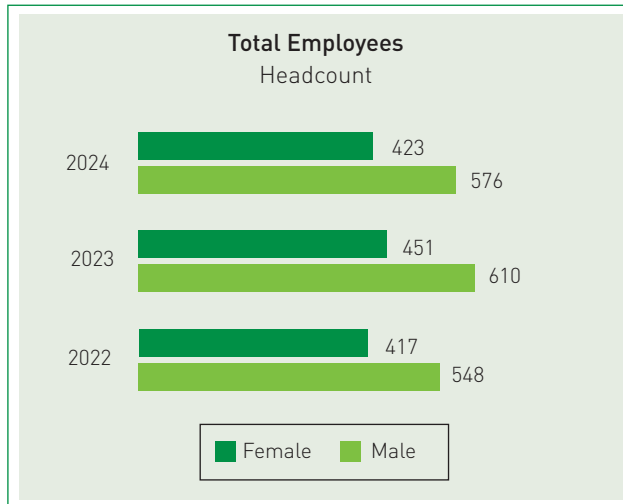
Employment plays an important role in shaping individuals' lives and driving economic growth through providing opportunities for skills development. The Group is committed to recruiting from a diverse pool of candidates, including recent graduates whom we offer graduate trainee programmes. Trainings can be on short-term contracts that enhance their employability and equip them with professional skills. Our trainees receive knowledge of the finance system, interpersonal skills development, financial independence and personal growth. However, challenges arise due to labour market shifts influenced by technology developments such as A.I., which can lead to employees facing job insecurity as certain processes within the Group are automated.

Our employee policies encompass areas such as Talent Management, Capability Building, Compensation and Benefits, and Culture Transformation. The Group promotes a strong commitment to employee wellness, encouraging employees to foster a positive environment for stakeholders. To enhance employee experience and retain key talent, a Culture Transformation Journey has been executed. Ongoing training and development support is provided to facilitate professional growth. A competitive compensation structure has been established to attract and retain top talent, while targeted recruitment efforts aim to improve gender balance.

Goals	Targets	KPIs	Progress
<ul style="list-style-type: none">To retain critical employees.To ensure engagement levels are high.Increase women representation at all levels.	<ul style="list-style-type: none">Maintain an Engagement Index of 80% and above.Target 50/50 overall gender balance across the Group.	<ul style="list-style-type: none">Engagement Index.Gender equity.	<ul style="list-style-type: none">Positive progress on culture transformation with over 80% initiatives proposed by employees implemented.Turnover rates are well below 10% indicating a positive retention rate.Gender balance at 42% women, which is above the market acceptable rate of 35%.

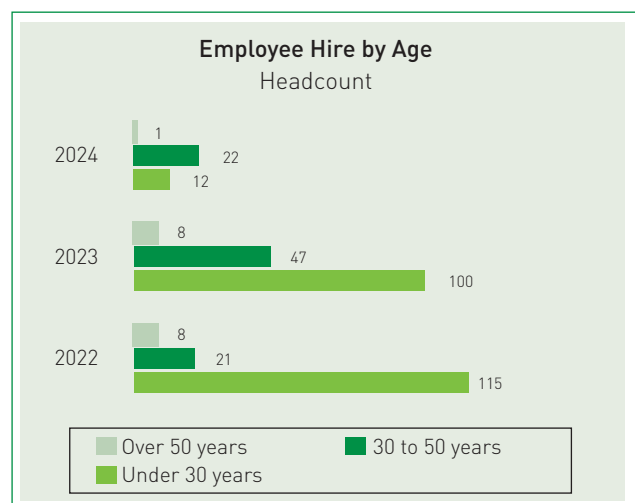
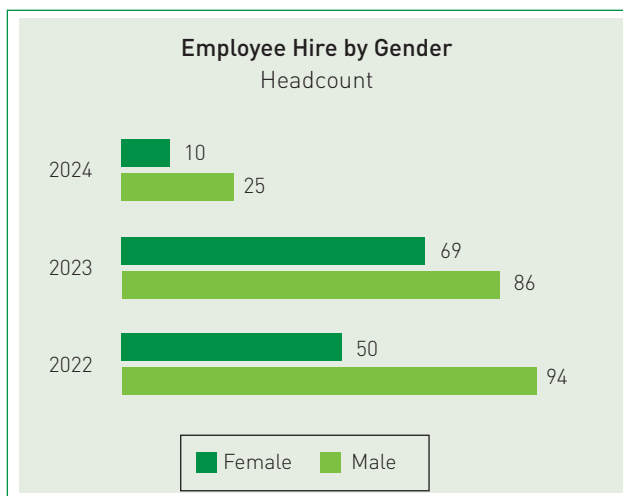
Human Capital (continued)

Employee statistics in the reporting period were as follows:



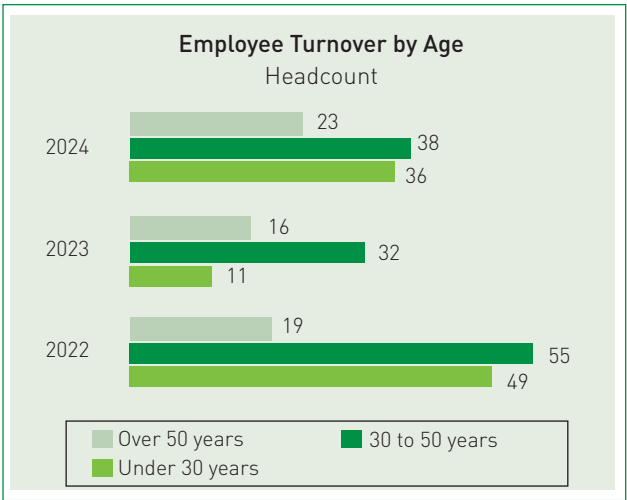
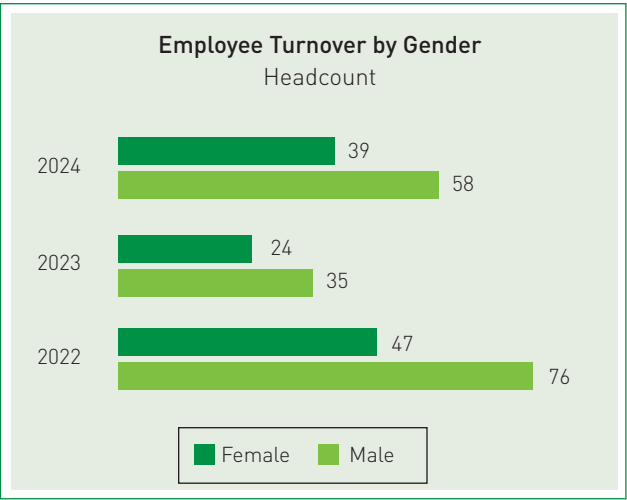
The 6% reduction in headcount was due to the retrenchment of employees.

The employee movement was as follows:

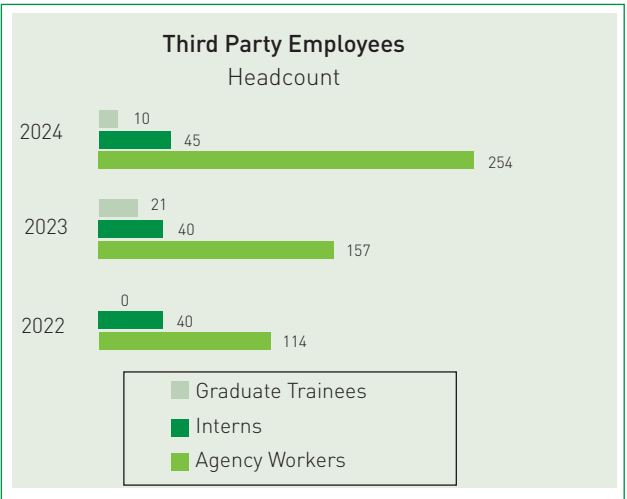


In 2023 the Group went through a restructuring which increased our staffing needs as the Group expanded in size. In the previous year we had already addressed most of our staffing needs hence the 77% decrease in hiring in 2024.

Human Capital (continued)



Third party employees were as follows:



The agency workers increased by 62% due to upscaling of the insurance business across the country.

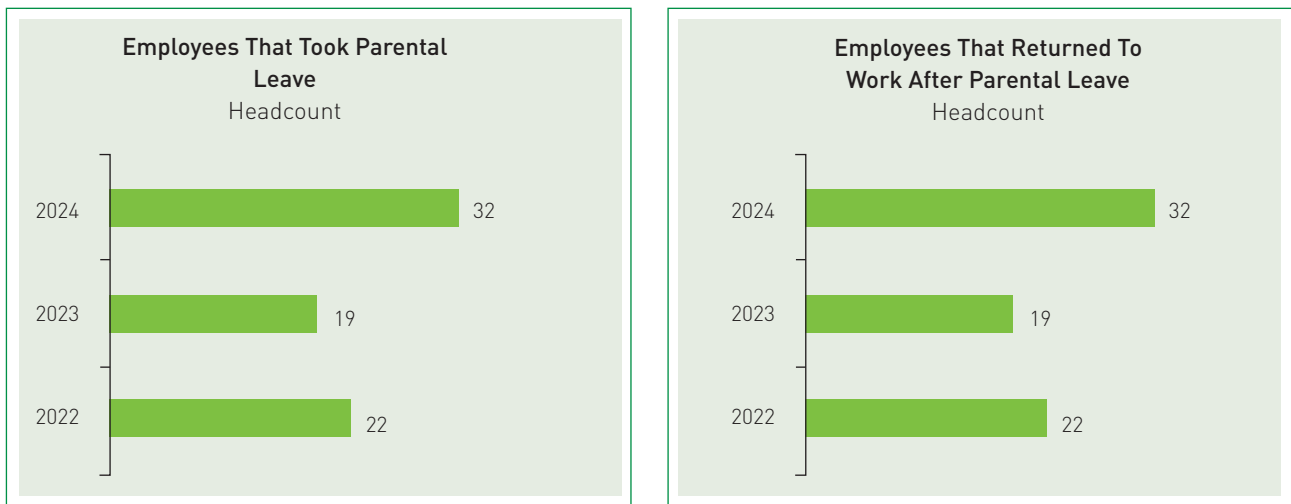
The overall 42% increase in third-party employees was primarily due to hiring employees for the service center.

Human Capital (continued)

Parental Leave

We offer maternity and paternity leave. Female employees are entitled to 90 days mandated by the Labour Act [Chapter 28.01]. No male employees applied for paternity leave during the review period. All female employees who took maternity leave returned to work.

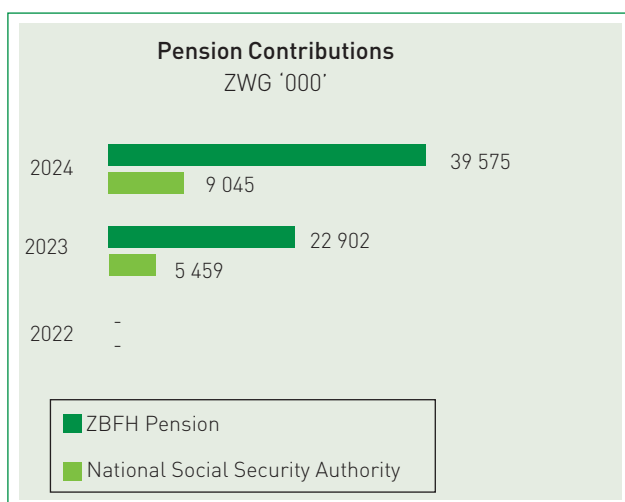
Parental leave statistics were as follows:



Post-Employments Plans

The Group's ongoing pension contributions are essential in establishing a sustainable retirement income to ensure financial security beyond active employment. Ultimately, the contributions reflect the Group's commitment to the long-term well-being of employees and highlights the importance of planning for a secure financial future.

Pensions in the reporting period were as follows:



Human Capital (continued)

Creating Strong Employee Relations

Effective employee relations are crucial for ensuring a harmonious work environment and enhancing productivity. Key elements include improved collective bargaining agreements, and open social dialogue, which contribute to increased productivity and employee satisfaction. However, challenges such as ineffective communication, failure to recognise employee contributions, and poor management practices can lead to strained relationships, decreased productivity, and reputational damage. A focus on short-term profits at the expense of employee well-being, along with issues like redundancy and job insecurity, can further undermine employee relations.

To strengthen employee relations, the Group conducts quarterly Works Council meetings and facilitates ad hoc engagements as needed, ensuring ongoing dialogue between management and employees. We promote employee wellbeing through wellness programmes such as sports and annual wellness trainings. Confidential employee counselling is provided by independent consultants to support employee mental health. Regular engagement sessions with the Group CEO promote transparency and connection, complemented by constant communication with the workers' committee to ensure that employee voices are heard and considered in decision-making processes.

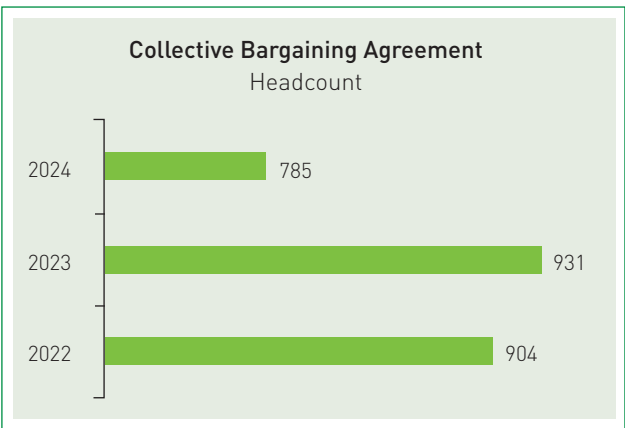
Evaluation System	Goals	Target	KPI	Highlight
<ul style="list-style-type: none">Employee surveys.	<ul style="list-style-type: none">To ensure engagement levels are high.	<ul style="list-style-type: none">80% on engagement index.	<ul style="list-style-type: none">Quarterly performance reviews using the Balanced Scorecard.	<ul style="list-style-type: none">Employee training on industrial relations was conducted.

Collective Bargaining Agreements (CBA)

Our Collective Bargaining Agreement (CBA) outlines the terms and conditions of employment terms negotiated between management and employee representatives, aimed at promoting fair labour practices and workplace harmony. CBA covers wages, benefits, working hours, and job security, ensuring that employees' rights are protected while addressing management's operational needs. A well-structured CBA can improve productivity and align the goals of employees and management, contributing to growth and reduction in disputes.

The Group's CBA promotes workplace harmony, employee job satisfaction, and morale which enhances productivity. We are committed to holding frequent Works Council meetings to address employee concerns and actively participate at the National Employment Council (NEC) level to influence industry standards. ZB Financial Holdings utilises meetings and minutes review to ensure accountability and transparency in its CBA. If CBA terms are not respected there could be consequences of industrial action.

Employees under CBA within the reporting period were as follows:



The Group's CBA is conducted through the Zimbabwe Banks and Allied Workers Union (ZIBAWU). Non-union working conditions are internally determined by management representatives and the employer.

Human Capital (continued)

Enhancing Skills Through Training and Education

The group has learning and development programs that aim to improve employee competencies and retention by upskilling the skills we need from within. We have knowledge sharing programs and structured trainings that enhance accountability over our employee's development needs. Our programs are structured to empower and drive innovation and quality of decision making. However, potential risks such as bias in content delivery, skill mismatches and loss of talent to competitors require effective management. External training partnerships, while valuable, introduce challenges such as high costs and inconsistent content quality, thereby requiring careful oversight.

We conduct bias reviews in training materials, ensure accessible learning platforms and perform Training Needs Analyses (TNAs). Remediation efforts include structured leadership development programmes, beneficial educational partnerships, and learning reward systems. Progress is tracked through internal audits, implementation of training reviews, and employee feedback surveys. With a focus on 100% training completion targets, the Group remains committed to fostering a skilled, inclusive and future ready employee base.

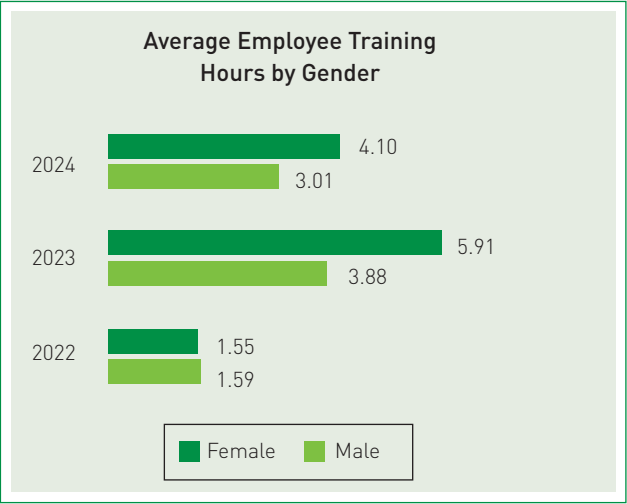
Goals	Targets	Progress Made	Policies	Actions
<ul style="list-style-type: none"> Annual training completion. Adequate skill staffing. Gender parity in training by 2025. 	<ul style="list-style-type: none"> 100% completion for non-managerial employees. 100% satisfaction in training needs by 2025. 100% leadership training achieved. 	<ul style="list-style-type: none"> Localised content improved employee engagement. Online training reduced access barriers. Surveys refined alignment with employee requirements. Leadership programmes and partnerships (e.g., COP) implemented. 	<ul style="list-style-type: none"> Equal Opportunity Policy. Learning and Development Policy. 	<ul style="list-style-type: none"> Support lifelong training aligned with the Group's strategic goals. Cater to all business clusters (Banking, Investments, Insurance). Regular third-party audits and feedback mechanisms.

Relevant SDGs:



Human Capital (continued)

Employee training statistics were as follows:



In 2024, the Group conducted less training sessions due to a significant decrease in new engagements compared to 2023, hence the 31% decrease in total average training hours.

Type and scope of programmes implemented, and assistance provided to upgrade employee skills:

- Leadership development programme for managers.
- Internal courses for Insurance and Banking clusters to support service delivery.
- Support employees who would like to pursue degree programmes relevant to their areas of work.

The Group partners with Small and Medium Enterprises Development Corporation (SMEDCO) to offer training on sustainable business ventures one can engage in after employment.

Occupational Health and Safety

The Group maintains an occupational health and safety (OHS) program that supports both physical and mental wellbeing for all employees. Through our in-house clinic, medical aid coverage, and partnerships with healthcare providers like CIMAS, we deliver preventive care and health awareness programs. The programme has been well-received, with ergonomic improvements including new chairs and proper lighting across workstations. To further support mental health, we provide access to external psychologists and psychometricians, helping employees manage work-related or personal psychosocial challenges.

Despite these efforts, several challenges affect employee health. Prolonged sitting and extended screen time contribute to issues such as eye strain and fatigue. The ongoing transformation created job insecurity, leading to increased stress and anxiety among employees. If unaddressed, these factors could lead to reduced productivity, higher stress related absences, and potential long-term health consequences for employees.

Human Capital (continued)

Goals	Targets	KPIs	Progress	Policies
<ul style="list-style-type: none"> • Healthy work environment. • Ergonomic safety. • Regulatory compliance. • Minimise occurrence of occupational hazards. 	<ul style="list-style-type: none"> • 90% satisfaction rate for healthy working environment. • 5% outstanding ergonomic issues. • 100% compliance with NSSA regulations. • Number of OHS incidences should be less than 10%. 	<ul style="list-style-type: none"> • Employee health complaints. • Back/eye strain reports. • Positive audit results from NSSA inspections. • Actual number of incidents. 	<ul style="list-style-type: none"> • We have partnered with CIMAS Medical Aid to do branch visitations and health awareness programmes for employees which was well received. • New desks and ergonomic chairs have been acquired for all employees and office lighting is appropriate. • Fully compliant. • No cases recorded. 	<ul style="list-style-type: none"> • Employee Wellness Policy. • Workplace Safety Policy. • HIV and AIDS Policy. • NSSA and Workman Compensation Policy.

Hazard Identification and Risk Assessment (HIRA)

Our hazard identification and risk assessment processes are conducted by clinic nurses and NSSA inspectors. First aid training covers all departments, while our clinic provides ongoing health monitoring. The financial services environment presents low physical risk but requires continued focus on mental health support and ergonomic best practices to address our high stress operational context. Employees actively engage in OHS through committees, councils and monthly quality circles.

Employees report work-related hazards through their line managers, who escalate the matter to the People and Culture (HR) department for resolution. The HR team ensures remedial action is taken to address risks, supported by the Group's Staff Wellness Policy which promotes physical, emotional and financial well-being through targeted interventions and Workplace Safety Policy. When OHS incidents occur, the People and Culture Department intervenes to implement corrective measures, driving continuous improvements in employee safety and well-being.

Advancing Sustainable Operations



- Managing Water Responsibly

- Minimising Waste and Promoting Circular Practices

- Improving Energy Efficiency

Advancing Sustainable Operations

Our efforts to advance sustainable operations focus on minimising environmental impact through responsible use of resources such as water, energy, and materials. By implementing efficiency measures and waste reduction strategies, the Group aims to enhance its operational resilience while supporting broader environmental goals.

Managing Water Responsibly

The Group implemented a water conservation program that successfully reduced water usage through installation of modern, efficient plumbing systems and employee awareness campaigns. These initiatives have positioned us as a sector leader in sustainable operations while aligning with SDG 6 (Clean Water and Sanitation).

2% increase
in Water
Consumption

While we have made significant progress, some challenges remain with older plumbing systems in certain buildings and our dependence on municipal water supplies during drought periods. We are addressing these through system upgrades in all owned buildings and the integration of water efficiency standards into new construction projects like our 881 Mt Pleasant development. Our monthly monitoring shows positive results, with reduced water bills and immediate response times to leaks, supported by strong employee engagement in conservation efforts.

Goals	Targets	KPIs	Highlights
<ul style="list-style-type: none">Promote water conservation awareness among employeesImplement modern water systems and equipmentMaintain infrastructure	<ul style="list-style-type: none">100% employee participationAll owned buildings upgradedImmediate leak response	<ul style="list-style-type: none">Litres of water used per employee per month.Number of plumbing upgrades completedRepair time for reported leaks	<ul style="list-style-type: none">Employee commitment in preserving water has been positive.In progressImmediate response achieved

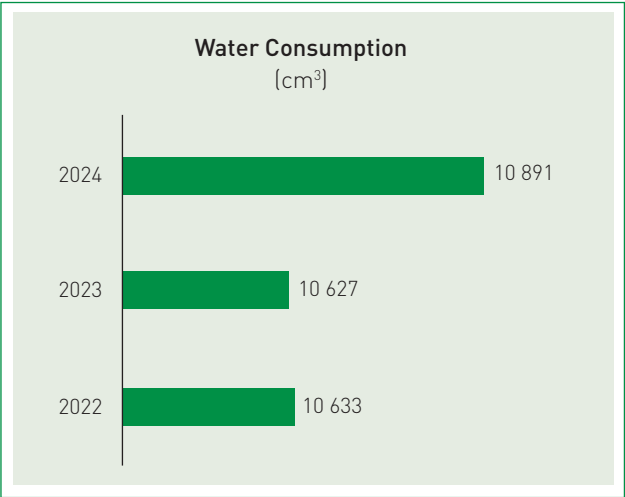
The integration of water efficiency into our procurement processes and building management strategies ensures these improvements are sustained as we expand our facilities. Regular monitoring and employee engagement remain central to our strategy for minimising water footprint across all operations.

Relevant SDGs:



Advancing Sustainable Operations (continued)

Water consumption during the year was as follows:



Minimising Waste and Promoting Circular Practices

The Group continue to demonstrated a strong commitment to sustainability and operational efficiency, which has resulted in reduced costs through recycling waste.

A well-structured collection and disposal plan ensures efficient waste management by facilitating proper waste separation at source, timely collection and responsible disposal. By establishing designated collection points ZB Holdings aims to minimise waste accumulation, maintain hygiene and adhere to environmental regulations

Our waste hierarchy follows the following actions:

- **Reduce** – Minimising waste at the source through digital initiatives aimed at reducing paper use and optimising procurement processes to reduce packaging.
- **Reuse** – Encourage the repurposing of materials. This will include office supply repurposing and programs focused on the refurbishment of furniture and IT equipment.
- **Recycle** – Facilitate material recovery by implementing an efficient sorting system. This will be supported by a color-coded bin system to ensure proper separation of waste

How we do it?

Inspection	We have	Tracking Waste Generation
<ul style="list-style-type: none">• Conduct quarterly waste audits to estimate waste volume and weight.• Implement digital tracking systems to monitor waste generation trends.• Utilise data-driven decision-making to refine waste handling strategies	<ul style="list-style-type: none">• Recycle bins for paper, plastics and packaging waste.• E-Waste recyclers and refurbishment programs for Electronic Waste.• Composting for Organic Waste.• Certified waste handlers for Hazardous Waste.• Specialised treatment for Liquid Waste	<ul style="list-style-type: none">• Monthly assessments to identify waste trends and optimisation opportunities.• Digital tracking systems to automate data collection and reporting.• Annual reviews to analyse waste trends and strategy effectiveness.

Advancing Sustainable Operations (continued)

Goals	Targets	Progress Made	Policies	Commitments
<ul style="list-style-type: none"> • Effective waste management. • Operational alignment. • Stakeholder satisfaction. 	<ul style="list-style-type: none"> • 90% Audit Cure Rate. • Proper waste disposal. • Clean service centres. 	<ul style="list-style-type: none"> • 2024: 90% Cure Rate achieved. • 2023: Consistent improvement in Cure Rate. • Adjusted processes with service providers (e.g., access before operating hours). • No negative customer feedback on cleanliness. 	<ul style="list-style-type: none"> • Business Continuity Policy • Environmental Risk Policy • Operational Risk Policy 	<ul style="list-style-type: none"> • Sustainability Standards Certification Initiative (SSCI) • ISO 14001: Environmental Management System (EMS) • Environmental Management Agency Regulations • Municipal Waste Disposal Policies • Incident Management Plan

Relevant SDGs:



Improving Energy Efficiency

The Group is dedicated to managing energy use and mitigating related impacts of inefficient energy use. We adopt renewable energy sources and energy-efficient equipment. However, we recognise that supply chain or partner operations with high energy footprints could indirectly affect our sustainability profile.

We prioritise the control and systematic monitoring of our energy usage to ensure optimal energy consumption and decrease energy costs. The Group abides by the Environmental Risk Policy and is committed to the Sustainability Standards Certification Initiative (SSCI). We raise awareness to employees through email reminders of the importance of improving energy usage such as recycling reminders.

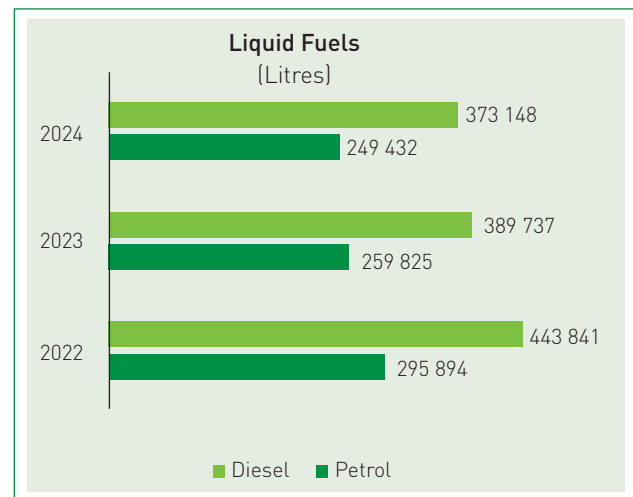
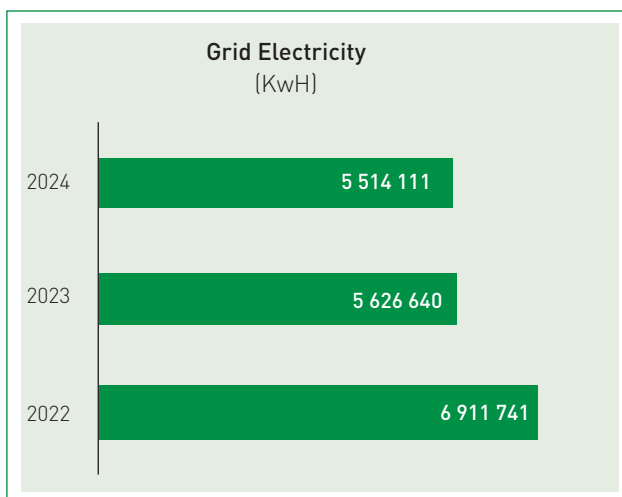
Advancing Sustainable Operations (continued)

Processes	Goals	Targets	KPIs	Progress Made
<ul style="list-style-type: none"> Annual sustainable reports. Energy disclosures. Monthly energy consumption tracking via utility bill analysis. 	<ul style="list-style-type: none"> Reduce energy wastage significantly. 	<ul style="list-style-type: none"> Achieve 100% renewable energy sourcing across operations. Installation of functional solar systems at all the premises at a rate of 5 systems per year. 	<ul style="list-style-type: none"> Total energy consumption. Number of energy-efficient devices installed. Cost savings from reduced energy consumption. 	<ul style="list-style-type: none"> 5 service centre locations have solar systems of varying sizes.

Relevant SDGs:



Energy consumption during the year was as follows:



The 2% decrease in electricity consumption was attributed to operational efficiency improvements and increased reliance on renewable energy sources, including expanded solar utilisation.

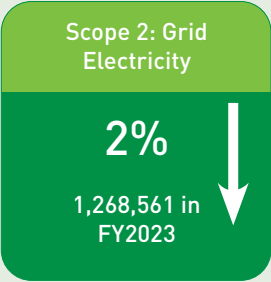
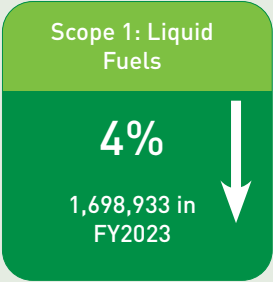
The 4% decrease in diesel consumption was due to energy efficiency measures, such as optimising generator usage schedules and prioritising operations during grid-available hours. The Group made use of solar power systems and hybrid backup systems at some branches as part of sustainability efforts, thereby reducing diesel dependency.

Petrol usage decreased by 4% because the Group introduced more fuel-efficient cars, Hybrid cars for use as the pool cars. Several Toyota Aquas were bought. Increased use of virtual meetings and digital platforms led to a reduction in employee travel between branches and client visits. Expansion of mobile and online banking reduced the need for physical employee presence in some areas.

Responding to Climate Change



- Addressing Climate Related Risks and Opportunities
- Greenhouse Gas (GHG) Emissions
- Climate Action

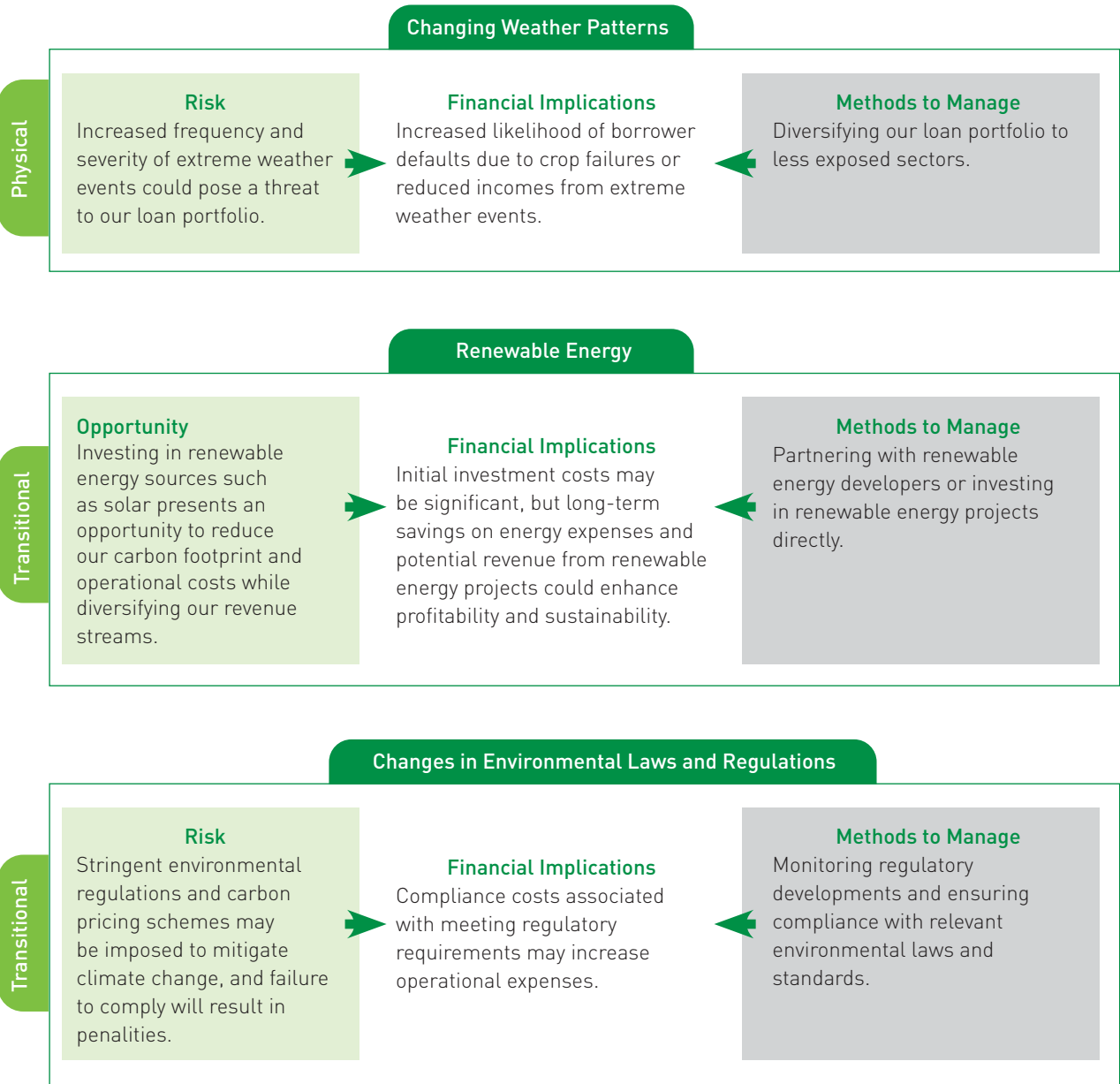


Responding to Climate Change

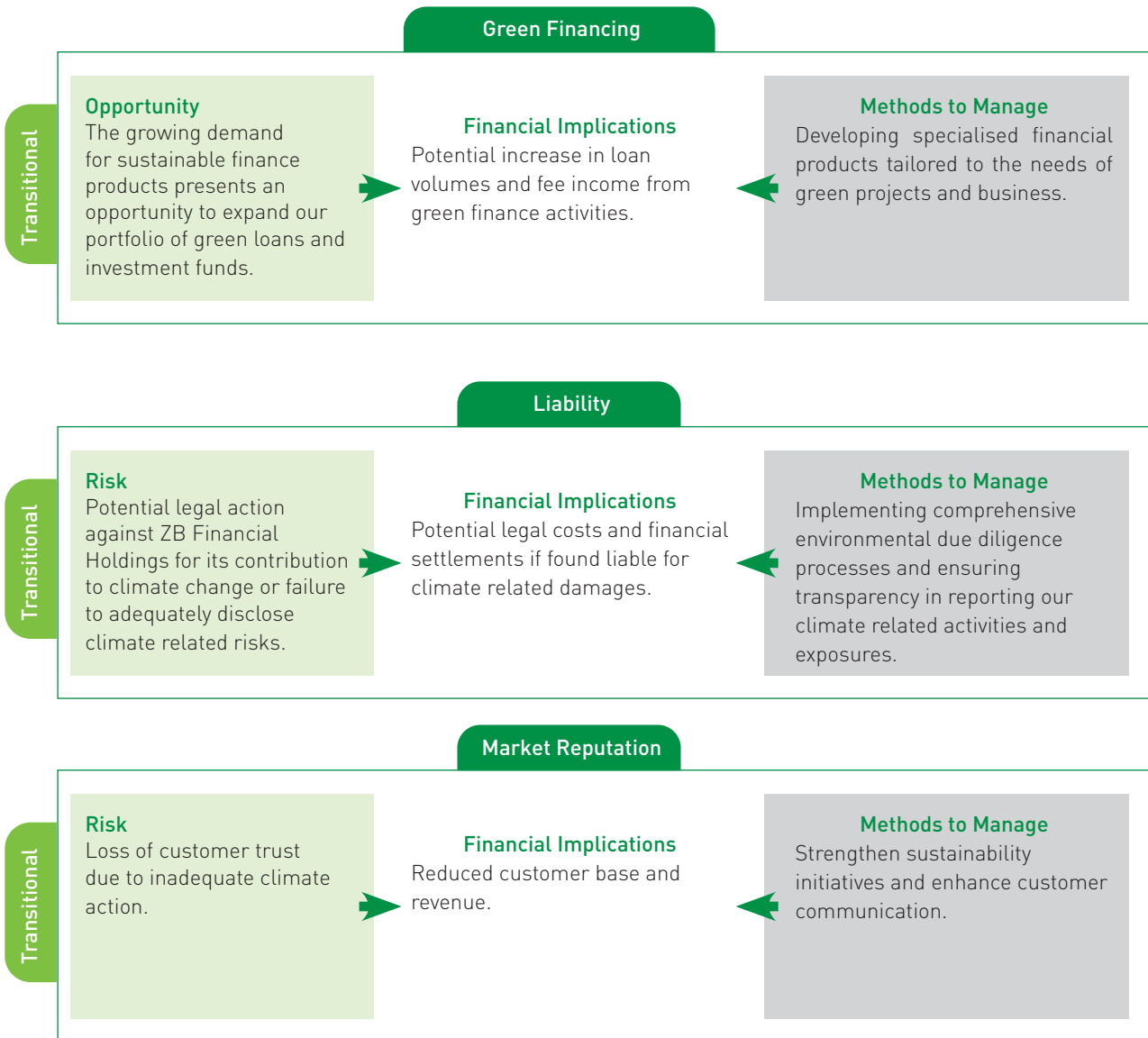
In response to the growing impacts of climate change, the Group embeds and integrates environmental considerations across all operations. This includes advancing risk assessment capabilities and driving initiatives that reduce our environmental footprint.

Addressing Climate Related Risks and Opportunities

ZB Holdings strengthened its commitment to sustainability by incorporating climate-related considerations into both underwriting and investment decisions. Climate risk management systems were enhanced with advanced modelling tools to improve risk assessment and pricing accuracy. The Group made significant strides in meeting climate-related financial disclosure requirements through comprehensive reporting frameworks and employee training. Further, initiatives aimed at reducing the carbon footprint such as promoting digital communication, positively impacted operational efficiency and environmental performance.



Responding to Climate Change (continued)



Greenhouse Gas (GHG) Emissions

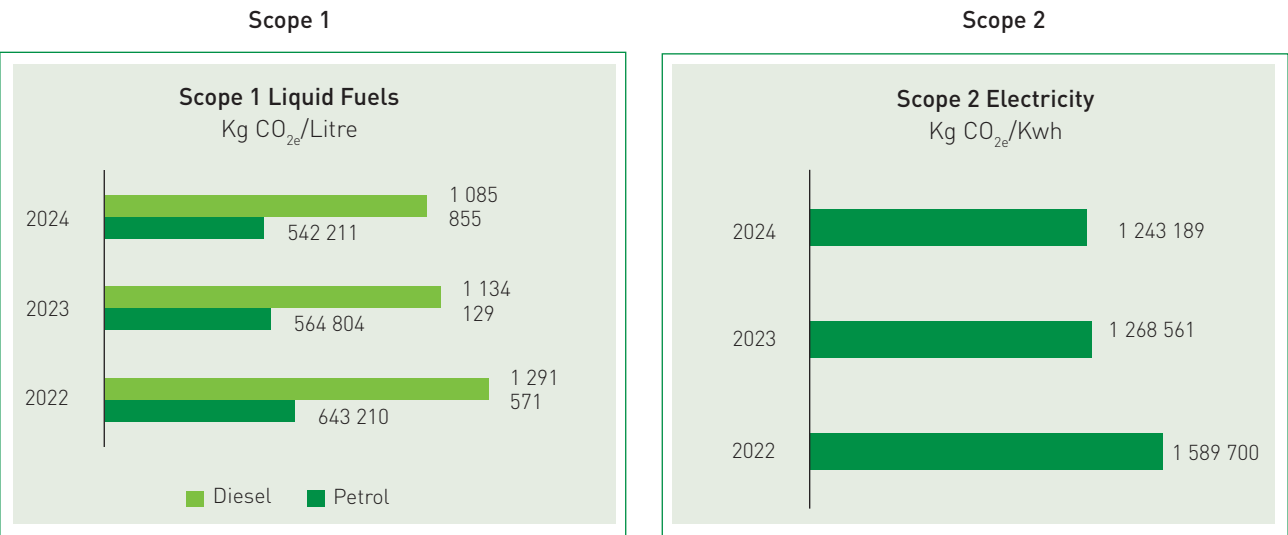
We monitor emissions from both stationary and non-stationary sources with the goal of reducing hydrocarbon fuel consumption.

- **Scope 1 Emissions (Direct Emissions):** These emissions arise directly from sources owned or controlled by ZB Holdings, including stationary sources like generators and mobile sources such as vehicles.
- **Scope 2 Emissions (Indirect Emissions):** These emissions result from the consumption of electricity generated by third parties in our offices and properties, excluding the emissions from the electricity supplier.

Emission Factors and Methodology: We calculated Scope 1 and 2 emissions based on the Group's energy consumption and the relevant emission factors. Energy consumption was converted into carbon emissions equivalence using factors from the Greenhouse Gas (GHG) Protocol. The petrol emission factor was reduced by 5% to account for the ethanol blending ratios in Zimbabwe, while the grid electricity emission factor was increased by 10% to reflect the mix of thermal and hydropower generation in the country.

Responding to Climate Change (continued)

Emissions during the year were as follows:



Relevant SDGs:






¹ Emission_Factors_for_Cross_Sector_Tools_V2.0_0.xlsx

Responding to Climate Change (continued)

Climate Action

The Group provides financing for climate-smart agriculture and sustainable energy solutions, helping its customers respond to climate change. Increasingly unpredictable summer rains and worsening droughts threaten Zimbabwe's agricultural sector. These climate shifts disrupt growing seasons and reduce crop yields. The resulting instability demands urgent adaptation in farming practices and financing models to build resilience against these challenges. However, we recognise our indirect contribution to climate risks through financing certain mining and manufacturing operations that emit greenhouse gases.

Goals	Targets	KPIs	Progress	Policies	Commitment
<ul style="list-style-type: none"> To ensure that agricultural customers are timely financed in line with agricultural season changes. Operational sustainability 	<ul style="list-style-type: none"> 80% successful cropping programs under our funding programmes. Reduced Chloro - Fluoro Carbons (CFC) emissions. 	<ul style="list-style-type: none"> Number of successful Agro customers financed. Reduction rate. 	<ul style="list-style-type: none"> Assessments still in progress. AC usage monitoring initiated. 	<ul style="list-style-type: none"> Environmental Risk Policy. 	<ul style="list-style-type: none"> SSCI standards compliance.

Environmental Mindfulness 	Purpose To mitigate the effects of climate change, protect natural ecosystems and ensure a healthier planet for future generations.	Beneficiaries Harare Town Council Kundayi High School Ministry of Women Affairs Small and Medium Enterprises Development Mavuradonha High School Mutare Boys High School Nyanga High School Nyamuzihwe High School Mkushi Training Centre (Morris Depot) St Marks High School Mazowe RDC Kwekwe City Council Zvishavane Town Council	Investments Trees Bee keeping materials Clean-up campaign Bins	13 CLIMATE ACTION  15 LIFE ON LAND 

Key challenges remain in fully incorporating climate considerations into all financing decisions and operational policies. Stakeholder engagement processes are pending, while continuous client interactions and covenant implementations help maintain progress towards our zero-impact climate goals. The Group maintains a cautious approach, balancing financial services with growing environmental responsibilities in Zimbabwe's evolving climate landscape.

Our Community Investment



● Our Corporate Social Investment

● Sustainable Development Goals (SDGs)

Our Community Investment

ZB Financial Holdings remains committed to meaningful community investment as part of our sustainability agenda. Through targeted initiatives in education, health, and economic empowerment, we strive to uplift communities and contribute to long-term social development.

Our Corporate Social Investment

As ZB Financial Holdings, we aim to make significant contributions to community development through various initiatives. We aim to promote financial inclusion by offering microfinance schemes and having education assistance schemes for the underprivileged and orphans. We intend on hosting activities such as tree planting, wellness days and installing solar streetlights as a way of interacting and appreciating our communities. We anticipate participating in the trade events and associations and making charity donations. We anticipate having internal and external awareness campaigns quarterly and conscientize our employees, customers and the public.

Targets	KPIs	What we could achieve
<ul style="list-style-type: none"> US\$5 million towards donations/ sponsorships. 	<ul style="list-style-type: none"> Amount donated. 	<ul style="list-style-type: none"> ZWG 1.167 billion in 2024.

Our Community Investment (continued)

Our Corporate Social Investment

Education	Philanthropy	Health and Wellness
		
Purpose Enhance education and equip individuals with knowledge and skills on informed financial decision making.	Purpose Support the underprivileged in meeting their basic needs.	Purpose Improve overall wellbeing to foster healthier communities.
Beneficiaries Zhawari Primary School Triangle SMEs EXPO Midlands SMEs EXPO CAMFED Nyanga Hombwe High School (hosted 14 schools in Makonde) Masikana Primary School Monte Cassino Girls High Ran Mine Primary School	Beneficiaries Danai Children's Home Cerebral pulse patient People with disabilities Bumhudzo Old Peoples Home Zimburi Secondary School ZPS Hwahwa Prison	Beneficiaries Lake Harvest Kariba SDA Health Expo HAC 20 Bernard Mzeki Golf Day
Investments Computers for a School lab Financial Literacy Training Career guidance Stationery	Investments Grocery humpers Dignity kits Clothes and shoes	Investments Golf exhibition material Expo material Participating and sponsoring marathon
		

Sustainable Development Goals (SDGs)




ZB Holdings is dedicated to promoting Sustainable Development Goals (SDGs) through a systematic prioritisation process. The process starts by ensuring alignment of SDGs with the Group's long-term vision and core operations. We engage with stakeholders, to identify essential areas of need. The Group evaluates societal and environmental challenges in Zimbabwe, focusing on issues such as poverty alleviation, healthcare, and education. ZB FH prioritises goals based on their feasibility and potential impact, ensuring that resources and expertise are utilised effectively for maximum positive outcomes.

Our Community Investment (continued)

Our priority SDGs for the period under review were as follows:

- SDG 3 - Good Health and Well-being.
- SDG 8 - Decent Work and Economic Growth.
- SDG 13 - Climate Action.

For the period under review the Group contributed toward the following SDGs:

SDGs	Targets	Goals	Impacts
Zero Hunger 	Target 2.1	To eliminate hunger and ensure access for all individuals, especially the vulnerable.	Orphanages, old people's homes and schools supported.
Quality Education 	Target 4.1 Target 4.6	To ensure that all youth achieve quality education with proficiency in computer skills while promoting literacy and numeracy among adults and youth for lifelong learning opportunities.	Primary Schools, Secondary Schools and communities supported.
Life on Land 	Target 15.2	Ensure the conservation of biodiversity and ecosystems.	Supported tree planting initiatives of town councils, rural district councils and schools.

Driving Sustainable Economic Development



- Financial Performance

- Responsible Sourcing and Supply Chain Integrity

- Transparent and Responsible Tax Practices

Driving Sustainable Economic Development

Driving sustainable economic development is central to our long-term strategy and economic growth. We are committed to creating shared value by supporting inclusive growth, financial resilience and aligning our operations with the broader development goals of Zimbabwe.

Financial Performance

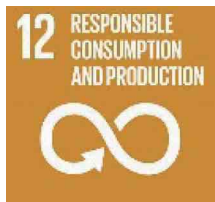
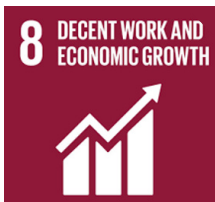
ZB Financial Holdings generates its economic value through the provision of a diverse range of products and services. This value is then distributed to various stakeholders, through tax contributions, dividend payments and employee remunerations. The direct economic value generated and distributed by the Group for the 2024 financial year is presented in detail in our financial statements. This information allows stakeholders to clearly understand how the Group's business activities translated into economic impacts, both in terms of the value created and the distribution of that value to key stakeholders. Our financial performance has significant impacts to national economic growth.

Responsible Sourcing and Supply Chain Integrity

ZB Financial Holdings recognises the importance of building a sustainable and responsible supply chain as an integral part of delivering high-quality service while upholding environmental, social, and ethical standards. The Group's approach to procurement is anchored in responsible sourcing practices that promote supplier accountability, support local economic development, and reduce environmental impact. Through strong supplier relationships and clear quality expectations, ZB has seen a notable improvement in the consistency, freshness, and cleanliness of supplied products. The Group boosts local communities by prioritising the procurement of goods from Small to Medium Enterprises (SMEs). However, we remain aware of potential negative impacts associated with our supply chain including the procurement of non-biodegradable packaging materials, which contribute to landfill waste and undermine environmental efforts. There is a risk of indirectly supporting suppliers who have unsustainable production practices, such as excessive emissions or improper waste disposal. Sourcing from unethical suppliers could expose the Group to risks such as negative media coverage, reputational damage, and the inadvertent promotion of unfair labour practices.

The Group adheres to its Quality Policy and Procurement Procedure Manual, which outlines supplier standards and sourcing protocols. We conduct regular supplier site visits to assess sustainability, hygiene, occupational health, and safety (OHS) compliance and overall supplier reputation. The Group only works with registered suppliers who have passed this vetting process. When products do not meet set standards, ZB returns them and may suspend the supplier altogether. These actions help uphold quality and reduce risk. We continuously educate suppliers on our quality expectations and conducts evaluations to ensure adherence. This focus on quality assurance helps to maintain a consistent and reliable supply of goods and services.

Relevant SDGs:



Driving Sustainable Economic Development (continued)

Transparent and Responsible Tax Practices

ZB Holdings contributes to the national fiscus through timely tax payments while ensuring full compliance with all applicable tax laws and obligations, including the timeous obtaining of tax clearance certificates. This approach protects shareholder value and minimises operational tax risks. The Group proactively identifies and discloses any compliance gaps, whether internal or raised by external auditors, to avoid tax penalties and interest charges. However, we continuously monitor challenges such as high compliance costs, potential delays in certificate acquisition and risks of tax penalties, interest or payment discrepancies, both overpayment and underpayment. A dedicated tax accountant oversees daily tax matters, supported by half-yearly and annual external audits. To minimise risks, ZB Holdings employs a tax risk management methodology, ensuring compliance with statutory requirements and maintaining a document retention policy aligned with regulatory standards.

Stakeholder Engagement in Tax Matters

We seek advance tax rulings from ZIMRA to confirm tax implications of potential transactions, ensuring clarity and certainty. We strictly adhere to all filing deadlines by submitting tax returns and making payments before their due dates. Any identified compliance gaps are disclosed voluntarily to maintain transparency and rectify issues on time. Stakeholder engagement is managed by the Public Officer, who fosters transparent relationships with revenue authorities, external advisors and industry bodies. The Group resolves disputes constructively and withholds 30% tax on payments to suppliers without valid tax clearance certificates. Financial statements are published for transparency, and external tax advisors are consulted for complex transactions.

Our Internal Tax procedures are guided by our:

Tax Policy and Procedure Manual

Goals	Targets	KPIs	Progress Made
<ul style="list-style-type: none">Complying taxpayer, minimising tax liability and maximising shareholders' values.	<ul style="list-style-type: none">To be a good corporate citizen.Making timely tax remittances.Zero tolerance to non-compliance on tax matters.	<ul style="list-style-type: none">Valid Tax clearance certificate.Good external tax auditors' report.100% tax compliance at any given point.	<ul style="list-style-type: none">No disputes with tax authority for the year ended 31 December 2024.ZB Life Assurance, ZB Reinsurance, ZB Bank, and ZB Building Society secured 2024 clearances.

Driving Sustainable Economic Development (continued)

Tax compliance strengthens business operations, minimises tax risks, and fosters positive relationships with both ZIMRA and other stakeholders. This is achieved by implementing tax auditors' recommendations to address identified gaps, while ongoing engagement with tax authorities helps clarify outstanding compliance issues and prioritise corrective actions.

Tax Payments in the reporting period were as follows:

Tax	FY2024 (ZWG)	FY2023 (ZWG)	FY2022 (ZWG)
Corporate Tax Subsidiaries	67,505,867	5,477,456	971,471
Value Added Tax (VAT)	48,443,282	3,704,560	239,062
PAYE	177,388,966	183,420,059	29,321,919
Withholding Tax-10%	358,332	221,098	170,114
WHT on NRTF and NRTRoy	11,853,039	127,662,383	95,746,787
Aids Levy	5,321,669	5,502,602	879,658
IMTT	404,879,466	34,768,321	3,168,948
Other taxes	5,067,819	1,301,375	769
Grand Total	720,818,441	362,057,854	129,706,674