

STAKEHOLDER ENGAGEMENT AND COMMUNICATION POLICY

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Responsible Board of Directors **Recipients** Stakeholders of Advans La Fayette MFB

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OBJECTIVES

The present policy aims to define how Advans La Fayette Microfinance Bank Limited and its Board of Directors engage with stakeholders as stakeholders' management and communication are core to the achievement of the Bank's social interest and the development of a responsible and sustainable business structure.

RELATED DOCUMENTS

Board Charter

Board Committee Charters

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1. Introduction

Advans La Fayette Microfinance Bank Limited (“the Bank”) acknowledges the pivotal role its stakeholders play in its business operations. This is because the decisions and opinions of the stakeholders have a great impact in the continued existence of the Bank and the interests of the stakeholders are affected by the Bank’s activities. Thus, as a result of the Bank’s commitment to the importance of stakeholder engagement, the Bank hereby sets out the purpose of this policy as follows:

- ⊕ to set out the basic guiding principles for the engagement of stakeholders in order to effectively engage and establish an excellent stakeholder relationship;
- ⊕ To set out the guidelines for internal and external communications; and
- ⊕ outline the responsibilities of the Board in stakeholder engagement.

2. Objectives for Stakeholders Engagement

- Engage with stakeholders to identify emerging trends in the Bank’s business;
- Identify material issues in a collaborative way to create value for the business and stakeholders;
- Achieve a transparent decision-making process with greater inputs from stakeholders and their support of the decisions that are taken; and
- Create and maintain positive relationships through the appropriate management of individual needs, wants, and expectations.

3. Scope of the Policy

The policy applies to all stakeholders of the Bank which include, shareholders, creditors, employees, customers, vendors/service providers, government agencies/regulators, and the general public.

4. Basic Guiding Principles for Stakeholder Engagement

The Bank is committed to promoting engagement with its stakeholders through these basic guiding principles

- Stakeholder Identification and Analysis: The Bank shall invest time in identifying and prioritizing stakeholders and assessing their interests and concerns.
- Transparent Stakeholder Engagement: The Bank shall adopt openness, inclusiveness, and transparency as the interrelated bedrock for engaging stakeholders as to give a balanced and fair view of the Bank, including its non-financial matters.

- > Credible information dissemination: The Bank shall disseminate significant and reliable information on its performance and activities on a quarterly basis to the relevant stakeholders.
- > Dynamic organizational structure that allows for the promotion and coordination of responsible actions with stakeholders, and using various instruments to favour communication and dialogue, with a constant process of adaptation to their needs, expectations, and interests.
- > Stakeholder proactiveness: The Bank shall be proactive in establishing and maintaining relationships with its stakeholders based on ethics, integrity, sustainable development, corporate social responsibility, fairness, and respect for human rights.
- > Sustainable strategy of strong involvement in the communities in which the Bank operates.
- > Collaboration: The Bank shall promote collaboration with stakeholders in order to comply with the extant laws and codes applicable to the Bank from time to time.

5. Stakeholder Engagement Process

- > The stakeholder engagement process requires the Bank to identify and prioritize material issues with each stakeholder. Thus, the Bank engages through the following channels:

S/N	Type of Stakeholder	Purpose of Engagement	Means of Engagement
1.	Shareholders	<ul style="list-style-type: none"> + To provide shareholders with relevant and timeous information. + To manage shareholders' expectations. + To maintain strong relationships with shareholders. + To ensure good corporate governance. 	<ul style="list-style-type: none"> + Annual General Meetings + Annual Report + Bank's website and social media platforms
2.	Creditors	<ul style="list-style-type: none"> + To manage creditor's expectations and reputational risks. 	<ul style="list-style-type: none"> + KYC Questionnaire + Benchmark ratios in the Bank's compliance tracker. + Email correspondences + Bank's website and social media platforms.

3.	Employees	<ul style="list-style-type: none"> + To project the Bank as a staff-centric Bank. + To provide staff with strategic direction and keep them informed of the Bank's activities. + To ensure that the Bank remains an employer of choice that provides a safe, positive and inspiring working environment. 	<ul style="list-style-type: none"> + Regular, direct communication between managers, teams, and individuals. + Monthly financial result disclosure. + Quarterly Board feedback. + Internal Policies. + Annual employee satisfaction survey. + Bank's website and social media platforms.
4.	Customers	<ul style="list-style-type: none"> + To understand them, their aspirations, businesses and financial-service needs better. + To provide appropriate advice, proactive financial solutions and value-adding services. 	<ul style="list-style-type: none"> + Interactions through relationship officers, branch outlets, call centers and other alternate banking channels. + Prospection exercise. + Customer events, physical meetings, and marketing activities. + Formal written correspondence. + Bank's website and social media platforms.
5.	Vendors/Service Providers	<ul style="list-style-type: none"> + To obtain products or services required for conducting the Bank's business. + To maintain an ideal and timeous supply of goods and services for operations. 	<ul style="list-style-type: none"> + Service Level Agreements and other Agreements + Email correspondences + Notices + Bank's website and social media platforms.
6.	Government agencies/regulators	<ul style="list-style-type: none"> + To maintain open, honest, and transparent relationships and ensure compliance with all legal 	<ul style="list-style-type: none"> + Annual Audit Report. + Rendition of statutory and regulatory reports.

		<p>and regulatory requirements.</p> <ul style="list-style-type: none"> + To retain the Bank's operating licenses and minimize operational risks. + To avoid sanctions/penalties/fines 	<ul style="list-style-type: none"> + Participation in training organized by regulators. + Bank's website and social media platforms.
7.	Communities /General public	<ul style="list-style-type: none"> + To build and strengthen relationships with communities and the general public. + Engagement of market associations as a means to promote the Bank's business operations. 	<ul style="list-style-type: none"> + Essay competition. + Employment. + Partnership with schools to provide educational materials. + Bank's website and social media platforms.

6. Guidelines for Internal and External Communication

- > The Bank's Guidelines for External Communication
 - + The Bank understands the role of its stakeholders in the achievement of its long-term goals and ensures that all communication to its external stakeholders is premised on stakeholder involvement and collaboration.
 - + All external communication must be approved by the concerned supervisor to ensure that at all times, the corporate values of the Bank are communicated.
 - + The Bank appreciates its relationship with the media and understands that the media serves as the medium through which the Bank reaches its external stakeholders. The Bank, therefore, handles its communication with the media with the highest levels of sensitivity and professionalism and ensures that the Bank's interface with the media remains the Managing Director. Only Authorized Persons shall be permitted to grant interviews of any sort (print, TV, online) and be quoted with respect to Bank's external communications.
- > The Bank's Guidelines for Internal Communication
 - + The Bank seeks to communicate with its internal stakeholder in order to achieve its overall objectives, strengthen organizational culture, and ensure teamwork amongst staff in the realization of the long-term and short-term goals of the Bank.
 - + All internal communication is handled by the Human Resource Department for all employees or the concerned Department. It is imperative that all communication among employees remain professional at all times.

7. Responsibilities of the Board in Stakeholder Management

- The Board is saddled with the responsibility of approving so as to ensure that the reports and other communication issued to the stakeholders are in clear and easily understood language.
- The respective departments that interface with various stakeholders monitor the outcome of various engagements with stakeholders and the report of the Bank's stakeholders are discussed at the Management level where strategies for improvement are developed for Board review and approval.
- The Board would endeavor to respond to all appropriate correspondence that requires its attention in a timely manner through the Managing Director.

8. Periodic Review

- The Stakeholder Management and Communication Policy shall be reviewed every 3 years.
- This Policy may be amended only by the Board.