ZICB

Zambia Industrial Commercial Bank

Making tomorrow possible

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

TABLE OF CONTENTS

1. INTRODUCTION

Zambia Industrial Commercial Bank Limited (ZICB) herein referred to as the Bank, is a commercial bank founded in 2018 with the mission to improve Zambians' access to credit and financial services to support the country's economic growth and sustainable development. The Bank is committed to working with its customers and communities to build a better and more sustainable environment. To manage potential environmental and social (E&S) risks and impacts under its lending portfolios, the Bank developed an environmental and social management system (ESMS) that aims at early identification, assessment, mitigation and management of potential E&S risks associated with loan applicants supported by ZICB. The ESMS builds on two previous ESMS Policies-ESMS Policy (June 2005) and ESMS policy (September 2010).

2. SCOPE

The scope of this ESMS applies to loans financed by the Bank. The scope excludes investment projects that are on the Bank's Exclusion List.

3. ENVIRONMENTAL AND SOCIAL POLICY

Through this ESMS, the Bank commits to comply with national and international E&S laws, regulation and standards in its entire lending portfolio. This will be achieved by integration of E&S consideration in all its lending portfolio and credit procedures. The Bank commits to undertake E&S screening for all loan applicants and ensure appropriate mitigation measures are in place prior to disbursement of all funds.

4. ENVIRONMENTAL AND SOCIAL MANAGEMENT PROCEDURES

The Bank has developed E&S procedures that are part of its process for early identification, assessment, and management of E&S risks and impacts. These procedures have been integrated into the Bank's overall risk management framework and are part of the Banks operations and loan processes.

5. ENVIRONMENTAL AND SOCIAL SCREENING AND CATEGORISATION

To manage potential E&S risks and impacts, the Bank will screen loan applicants against the Bank's exclusion list using an E&S screening checklist. The Exclusion List contains a list of activities that the Bank shall not support. In addition, all screened loan applicants will be categorized as either High, Substantial, Moderate or Low risk. The E&S risk categorizations indicate the level of effort to be applied to mitigate anticipated risks and impacts, and it prescribes the appropriate E&S safeguard instruments to be developed.

6. INTREGRATION OF E&S REQUIREMENTS IN CREDIT DECISION

To ensure all loan applicants comply with national and international E&S laws, regulations and standards, E&S clauses have been integrated in the loan agreement between the Bank and loan applicants. The objective is to ensure that the financing agreements fully incorporate E&S warranties, covenants and compliance requirements. The integration will include E&S requirements identified during screening and due diligence. The E&S clauses relate to environmental, health, safety, social, labour and working conditions including risks related to Gender Based Violence (GBV), Sexual Exploitation Abuse (SEA) and Sexual Harassment (SH).

7. ENVIRONMENTAL AND SOCIAL SUPERVISION

The Bank will undertake E&S monitoring and supervision to evaluate the clients' progress in terms of implementation of the E&S performance requirements. The Bank will undertake follow-up activities using both onsite and offsite supervision methods to track implementation of E&S requirements. The Bank will also develop and maintain a regular program for supervision of loan clients based on a clearly defined set of E&S issues that will arise during implementation.

8. ENVIRONMENTAL AND SOCIAL REPORTING

The Bank will report on the status of the ESMS implementation to internal and external stakeholders. All E&S documents will be entered into the Banks's M&E system and stored for use during prior or post review, and for audit purposes. The Bank will report any incidents, accidents or near misses affecting E&S compliance requirements. This will include incidents, accidents and near misses related to Gender Based Violence (GBV), Sexual Harassment (SH) and Sexual Exploitation Abuse (SEA) within the stipulated times.

9. STAKEHOLDER ENGAGEMENT AND COMPLAINTS MANAGEMENT SYSTEM

Stakeholders are key to the operations of the Bank's ESMS. These individuals, groups or organizations have an impact on the Banks operations, directly or indirectly. The Bank will proactively engage stakeholders through disclosures of this ESMS and E&S policy on the Bank's website. Reactively, the Bank will respond to concerns raised by stakeholders through the

Bank's Complaint Management and Resolution system (Grievance Redress Mechanism) that maybe be submitted using various channels indicated below;

Email: Contact Centre on 7000@zicb.co.zm;
Hotline: Call 7000 (on all networks);
Website: www.zicb.co.zm;
Social media: Inbox us on Facebook;
Head Office or Branches: Visits any of our branches.

10. INFORMATION DISLOSURE

A summary of the Bank's ESMS E&S Policy and other E&S documents will be published on the Bank's website as part of information disclosure.

11. ESMS CONTINOUS IMPROVEMENT

The ESMS will be subjected to periodic review as part of continuous improvement based on findings from internal and external audits, lessons learnt from accidents and incidents as well as changes to international and national environmental and social laws and regulations. The Chief Executive Officer (CEO) is responsible for continuous improvement of this ESMS to ensure its adequacy and effectiveness.

Ngenda Nyambe
CHIEF EXECUTIVE OFFICER