



Stakeholder Management and Engagement Policy

FSDH HOLDING COMPANY

STAKEHOLDER MANAGEMENT AND ENGAGEMENT POLICY

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1. Background

This policy details how FSDH Holding Company ('hereinafter referred to as FSDH or the Company') will engage its stakeholders, including customers, partners, regulators and employees about our business activities; and how these stakeholders can engage with the Board and Management. We pay close attention to the engagement of Stakeholders. This is evident from our corporate philosophy of engaging in business based on responsibility to society as well as being a good corporate citizen.

This Stakeholder Policy defines our approach to engaging our stakeholders. We define our stakeholders as those individuals, groups, and organizations that materially affect or could be affected by our business activities, products and services and associated performance. Our stakeholders play a key role that enables us to achieve our strategy and purpose; they influence the environment in which we operate our business; and confer legitimacy on our activities. As a result, we take the expectations and needs of our stakeholders seriously.

Our approach to stakeholder engagement is ongoing developing and management of relationships to mitigate the risks linked to negative stakeholder impact and to optimize potential for positive influence on the organization, our customers and shareholders.

2. Purpose and Scope of the Policy

As a regulated business with controlling holdings in other regulated businesses, FSDH Holding Company shall engage in open, constructive and continuous dialogue with its stakeholders ensuring equitable treatment and mutual respect for all. This policy therefore seeks to streamline stakeholder engagement strategy and describes the standards by which the Company engages its various stakeholders.

This policy provides a framework to guide FSDH Holding Company's interactions with stakeholders in the following manner:

The policy will therefore:

- manage stakeholders' expectations,
- enable the identification of issues; and
- improve relationships and interactions with stakeholders through effective management and engagement strategies.
- Clarify roles and responsibilities for stakeholder engagement across the group.
- Clarify the principles underpinning all stakeholder engagement by the company.
- Provide guidelines for stakeholder engagement in general.
- Establish a framework to manage risks and opportunities with stakeholders in a consistent manner.
- Promote governance standards to enhances the company's reputation.

In implementing this policy as a foundation for all Stakeholder engagement and employing good corporate governance principles in our business operations, we are confident that this will help build brand loyalty and contribute the long-term sustainability of FSDH Holding Company.

This Stakeholder Engagement Policy aims to provide clear guidelines for our directors, management and employees on the inclusion of wider stakeholder considerations in business decision-making as well as on the process of engagement with stakeholders in order to achieve the social interest and develop a responsible and sustainable business model.

This policy applies to all employees, management and directors of the Company, regardless of location, business unit, or corporate function, in all their interactions with stakeholders.

3. Definition of Stakeholders

Stakeholders are persons or groups of persons who can affect or are directly or indirectly affected by the actions, decisions, policies, practices or goals of the business. They include customers, employees, communities, shareholders, investors, lenders, business partners, government agencies, media etc.

We have categorized our stakeholders into two primary groups:

- The first group comprises stakeholders with which we have a direct, contractual relationship: namely, our people, our clients, our suppliers, and our investors.
- The second group comprises stakeholders which do not necessarily have a contractual relationship with the group yet fall within the group's sphere of influence, and thus have a stake in our performance; namely media, civil society organizations, professional bodies, regulators, policymakers, academia, legislators, the diplomatic community, political parties, special-interest and advocacy groups, analysts, researchers and think tanks, the media, and non-governmental organizations.

4. Policy Statement

FSDH Holding Company is committed to acting as a good corporate citizen in the societies in which it operates. We will honor the rights of Stakeholders and treat them fairly, listen to their opinions and concerns, build understanding with Stakeholders, encourage cooperation constructively in matters that interest Stakeholders, and take part in developing society and the environment so that the Company continues to develop its business sustainably.

5. Stakeholder Management Principles

The Company accepts and shall continue to promote the following basic principles to engage and establish a relationship of trust with its stakeholders:

- a) Responsibility: Act responsibly and build relationships based on ethics, integrity, sustainable development, and respect for human rights and the communities affected by the various activities of the Group.
- b) Transparency: Ensure transparency in relationships, and in financial and non-financial communications, sharing truthful, relevant, complete, clear and useful information.
- c) Active listening: Practice active listening, encouraging bi-directional and effective communication, and direct, fluid, constructive, diverse, inclusive and intercultural dialogue.
- d) Participation: Encourage the participation of the Stakeholders in all FSDH activities, promoting voluntary consultation processes or similar channels of interaction in application of the law of each country, and especially in the planning, construction, operation and decommissioning of the Group's projects.

e) Consensus Work: towards consensus with the Stakeholders, especially with local communities and indigenous populations, taking their viewpoints and expectations into consideration.

f) Collaboration: Promote collaboration with Stakeholders, in order to contribute to compliance with the Company's Code of Business Conduct and Ethics and the achievement of the SDGs.

g) Continuous improvement: Seek continuous improvement, regularly reviewing Stakeholder engagement mechanisms to ensure that they respond in the most efficient way possible to the needs of each moment.

6. Guidelines on Engagement with Stakeholders

FSDH Holding Company recognizes the importance of its stakeholders and acknowledges their right to be informed about the activities of the Company. It also recognizes the benefits of stakeholders' input in the overall strategy of its governance and operations. The Company is committed to a proactive, open, and transparent process of engagement with internal and external stakeholders. The following guidelines are recommended in working with stakeholders in order to shape their relationship with the Company in a manner that is mutually beneficial.

- Stakeholders Identification

Identifying who our key Stakeholders are and their interest, level of expertise, and level of influence is crucial to successful stakeholder engagement and to allocating resources as efficiently and effectively as possible. Therefore, we recommend all business units to assess and prioritize stakeholders using the following criteria:

- Stakeholder interests
- Stakeholder expertise on material issues
- Stakeholder level of influence
- Stakeholder willingness to engage with the Company.
- Stakeholder expectations of engagement with the Company
- Stakeholder dependence on the Company, and
- Value for the Company of engaging with each Stakeholder.

Stakeholders can change due to new technologies, regulations, markets, and customers. Stakeholder mappings, therefore, should be conducted regularly in order to understand who the relevant Stakeholders are in order to design appropriate responsiveness and corresponding communication strategies.

- Stakeholder Engagement Risk

It is important to consider potential stakeholder engagement risks prior to selecting the level or method of engagement. Potential risks may include participation fatigue, conflicts of interest, disruptive stakeholders, and an unwillingness to engage. In some cases, key stakeholder groups may lack the capacity (e.g. financial resources, time, cultural understanding or awareness of issues) to engage with the Company effectively. If Stakeholders lack sufficient capacity but it is critical for the Company to understand their perspective, the Company may consider ways of facilitating the process without introducing overdependency, undue influence or a potential conflict of interest. Depending on the Stakeholder group involved, the Company's leadership and Communications Team may provide further support as needed.

- Roles and Responsibilities.

- a) The Duty of the Board of Directors

The Board has overall responsibility for oversight of the group's stakeholder engagement and may delegate its oversight function in this regard to the Governance and Nominations Committee. This committee will be responsible for oversight of the group's stakeholder engagements, including:

- Setting the underlying ethos and direction of stakeholder engagement in the group.
- Approving group stakeholder engagement standards and policies.
- Delegating to management the responsibility for the implementation of effective stakeholder engagement.
- Exercising ongoing oversight of stakeholder engagement.
- Disclosing the following elements of stakeholder engagement in the group's internal and external reporting:

(1) Governance and management arrangements, (2) Areas of focus during the reporting period, (3) Actions to monitor the efficacy of stakeholder engagement, and how the outcomes thereof are addressed, (4) Future areas of focus.

- b) The Duty of Management

The duty of management is to efficiently and effectively provide suitable resources, such as allocating budget, assigning adequate number of dedicated, skilled and knowledgeable staff, and providing systems for collating information from stakeholders, compiling data, monitoring progress, and evaluating results. Stakeholder engagement data should be integrated into organizational governance, strategy and operations at all levels in order to achieve inclusive organizational acceptance and aid the development of an accountable and strategic response to sustainability.

Through the Annual Report, Management communicates the Company's progress during the year under review. The Annual General Meeting (AGM), which is attended by the representatives of the shareholders provides an opportunity for the Board and Management to engage with stakeholders. Shareholders' questions and participation in matters pertaining to operations, corporate governance, financial performance, amongst others are encouraged at the Company's AGM.

Stakeholders may also engage with the Board and Management through any of the following means:

1. Stakeholders' Communication with the Board: This is important in order to foster transparency and openness in its communication with stakeholders, to develop a balanced understanding of their issues, and to ensure that these are appropriately addressed. This line of communication will mainly cover governance, strategy and sustainability-related issues, such as succession planning for the board and critical roles, corporate governance implementation and risk assessment. Stakeholders may:

- Send written correspondence to the Chairman of the Board, other members of the Board through the Company Secretary detailing the issue (s) of concern.
- Request a meeting with a director through the Company Secretary to discuss the issue(s) of concern.
- Ask questions at the scheduled Board Meetings, Annual General Meeting, Townhall Sessions and other forms of engagements.

Written correspondence shall be addressed as follows:

*FSDH Holding Company,
4th Floor, UAC Building,
1/5 Odunlami Street, Marina, Lagos, Nigeria
Email: contact@fsdhgroup.com*

All engagements with stakeholders and the Board's response will be recorded.

2. Stakeholders' Communication with Management: This line of communication will mainly cover operational performance, financial matters, employee matters, or similar topics. Stakeholders may:

- Send written correspondence to the Managing Director.
- Request a meeting with Management.

In response to stakeholders, Management may adopt any of these methods, depending on the nature of the issue raised:

- Written correspondence
- Focus groups
- Surveys
- Town hall meetings
- Meetings with selected/concerned stakeholders.
- Online feedback mechanisms
- Press statements and Media announcements, etc.

Responsibilities

The Board and Executive Management

The Board shall delegate the function of primary stakeholder engagement to the Company Secretary and the Managing Director who will:

- Ensure that all communication to stakeholders is addressed in clear and easily understood language.

- Ensure that such communication is uploaded on the Company's website as is deemed necessary.
- Ensure that the general public through the media is made aware of such communication as deemed necessary.
- Ensure that all communication is disseminated in accordance with the principle of timely, accurate and continuous disclosure of material information on the Company's activities, in order to promote a fair and balanced view of the Company, including its non-financial matters.
- Establish and manage an investors' portal on the Company's website, which will contain this policy, the Company's annual reports for five immediately preceding years, financial reports, policies, press releases and other relevant information.
- Execute physical and virtual means of interaction between the board and other stakeholders, including but not limited to townhall meetings, stakeholder forums, focus groups amongst others.
- Ensure that dealings of the Company with shareholder associations are always transparent and in the best interest of the Company.

The Company Secretary

The Company Secretary shall:

- Determine whether the communication received should be addressed by the Board or by Management.
- Act as an agent of the Board and Management, to carry out a first-level review of communication to the Board and provide advice on how these should be addressed.
- Act as an agent of the Board and Management to ensure that all communication to stakeholders is drafted in a manner which is clear, concise, and easily understood.
- Consider meeting or further engagement requests from stakeholders and advise thereon.
- Ensure proper and effective communication lines between the Board and stakeholders, and between and stakeholders.

Policies and Practices toward shareholders

The Company places great importance on its shareholders, who are owners of the business. Accordingly, the executives and employees as well as the Board of Directors, which itself represents shareholders, are committed to carrying out business in line with principles of good corporate governance and Company's own business philosophy of ensuring maximum benefits and long-term economic value for shareholders. To ensure proper treatment of shareholders, the company has set out the following guidelines for all directors, management and employees:

- to operate in accordance with corporate vision and corporate governance principles with honesty and prudence, and without conflict of interest, while creating good returns for every shareholder in a sustainable manner.
- to respect the rights of shareholders and provide equitable and fair treatment to every one of them. Accordingly, to not perform any act that might violate or negatively impact on the rights of shareholders.

- to provide shareholders with all significant details concerning the Shareholders' meetings and the meeting agenda items to be considered by the shareholders with sufficient time in advance.
- to prevent the directors, management, and employees of FSDH as well as their spouses and children from making use of inside information for their own personal benefit or that of others before disclosure to the general public.
- to establish efficient measures for internal control, internal audit, and risk management.
- to disclose the Company's significant information, financial reports, and operating results on an accurate, complete, timely, transparent, and reliable basis through easily accessible channels to consistently keep shareholders abreast of the Company's operating performance.

Policies and Practices toward Employees

We firmly believe that employees are most valuable assets and a vital contributing factor to the Company's success. The Company treats employees fairly with concern for their needs. The goals are to foster a good relationship between the Company and employees, to promote ongoing development of employees' skills and potential, and to provide job security and career advancement. The guidelines for practice toward employees are as follows:

- to recruit employees through a fair, transparent and efficient selection system with the aim of recruiting "smart and ethical" employees having strong qualifications and exhibiting the company's core values, to join the Company.
- to treat employees with sensitivity and fairness while paying due respect to their personal rights, protecting these rights from being violated. Likewise, to support and respect the right of employees to express their opinions independently.
- to provide channels for employees to file grievances and report any act of impropriety in violation of the Company's Code of Conduct & Ethics as well as to protect the complainant from retribution or penalty related to filing a complaint.
- to provide employees in every field of work and at all levels sufficient and continuous professional development appropriate for their duties and responsibilities and to instill ethical awareness into every employee.
- to promote and encourage working as a team to create unity and to raise employees' awareness about work discipline.
- to evaluate employees' performance and provide fair remuneration, equivalent to those of leading companies in similar industries, based on the suitability, capability, and competence of each individual.
- to raise awareness and promote employees' occupational health and safety while maintaining a congenial work environment that enables employees to feel like they are part of a working, profitable team.
- to schedule periodic employee engagement activities that fosters togetherness and ease of feedback from the employees to the management and board.

Policies and Practices toward Partners

We respect the rights of our partners and treats every partner equitably and fairly. Our partners are those stakeholders we agree with to advance our mutual business interests and benefits. Some of these are clients, investors, and co-executors to different projects. The Company works collaboratively with partners to ensure that the shared goal of the partnership is achieved. The relevant guidelines are as follows:

- to collaborate with partners in supporting and strengthening the partnership operations.
- to encourage the exchange of ideas and suggestions with all partners and to jointly define the business plans to ensure the sustainable growth and development of the partnership.
- to monitor the operations of the partnership in order to ascertain that they comply with the law and the sustainable development approach.
- to work with the partners in allocating agreed reward or payments from the in a fair, equitable and transparent manner, complying with terms and conditions agreed upon.
- to refrain from taking advantage of partners in any way.

Policies and Practices toward the Community

FSDH conducts business with commitment to human rights and fairness to all stakeholders, and with concern for social responsibility. The Company provides constant support to activities that contribute to improving the quality of life and development of the communities and societies in which the Company operates. The Company encourages its employees and other concerned parties to be good citizens contributing to their communities and society. The guidelines are as follows:

- to support and provide needed assistance to society and communities, especially the communities surrounding FSDH's business locations in line with the CSR policy.
- to preserve the environment and to control and manage waste from the production process and general consumption as well as contamination released into the atmosphere through the use of efficient technology and close monitoring.
- to promote and support the carrying out of activities and projects designed to develop the potential and capabilities of citizens in the areas of education, science and technology, women empowerment and financial literacy, in line with the CSR policy.
- to support activities/projects dedicated to providing immediate assistance to those affected by disasters and to improve the potential and quality of life of people in society by helping to build strong institutions and communities that enable people to become self-reliant.
- to provide support to different charitable organizations that provide opportunities to the disenfranchised in society, empowering them to lead better lives.
- To open opportunities for communities and other stakeholders to take part in the activities/projects, to voice their opinions and suggestions, or to file complaints as a result of the Company's operations, with the goal of allowing industry and the community to co-exist sustainably.

Policies and Practices toward Government Agencies

FSDH Holding Company places great importance on government agencies as key stakeholders of the Company. Guidelines for engaging in transactions with government agencies are defined in the policy on Interaction with Government Officials. The Company also cooperates with government agencies, providing technical assistance and support for capacity building. The guidelines are as follows:

- to strictly abide with applicable laws and regulations being cognizant of the fact that laws, regulations, cultures, and traditions in each area may have different conditions, procedures, or practices.

- to refrain from influencing government officers to abet and collude in improper acts.
- to provide support to activities undertaken by government agencies.
- to ensure compliance and adherence to policies and instructions enforced by regulators appointed by government.
- To provide returns, filings, and other regulatory requirements to government regulators as and when due
- to participate in meetings to share ideas, and to provide technical assistance on a continuous basis.
- to receive comments, suggestions, or complaints from government agencies.

Policies and Practices toward Suppliers and Vendors

FSDH strives to always maintain and obey fair competition standards in selecting and engaging with suppliers and vendors in a manner that strictly complies with all contractual obligations, the guidelines are as follows:

- to determine and establish fair and reasonable prices by considering the reasonableness of the offered prices, quality, and service levels and to be able to provide appropriate reasons during any audit.
- to pay suppliers accurately and on time.
- to establish clear procurement regulations
- to operate business sustainably and transparently by complying with all the terms and conditions agreed upon in a transaction and treating all involved parties equitably and fairly.
- to refrain from demanding or accepting any improper benefits from its suppliers.
- to pay regular visits to suppliers in order to exchange ideas and listen to their suggestions or advice on service/product improvement.
- to support procurement of eco-friendly and community products.
- to refrain from purchasing products from suppliers that violate human rights or intellectual property law.
- to refrain from disclosing information of suppliers to others without their prior consent.
- to refrain from dealing in any business with any supplier that carries out illegal acts or acts against public order and good morals.
- To encourage suppliers to conduct their businesses with societal and environmental concerns and behave as good citizens.

Compliance & Monitoring

All employees, directors and management are responsible for the success of this Policy as well as promote best practice in this regard. The Board of Directors is vested with the power to approve and apply this Policy and to design, approve and supervise the general strategy on stakeholder engagement, ensuring the proper coordination thereof for the Company.

Review

The quality of the Company's stakeholder engagement shall be evaluated periodically to identify the benefits, areas of improvement and the overall quality being delivered. This policy will be reviewed periodically, based on evolving trends and regulations governing stakeholder management, to ensure its suitability for purpose.

APPROVED BY THE BOARD OF DIRECTORS OF FSDH HOLDING COMPANY LIMITED ON THE 28TH OF JULY 2023



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HAKEEM BELO-OSAGIE
CHAIRMAN BOARD OF DIRECTORS

Signature Certificate

Reference number: RSXZI-KGMZE-ARFRB-GYJVU

Signer

Timestamp

Signature

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Page 1 of 1



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