



UN GLOBAL COMPACT:
COMMUNICATION ON PROGRESS

March, 2015

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LETTER FROM FIRSTBANK'S GMD

It is with great pleasure that we reaffirm our Bank's commitment to the principles of the United Nations Global Compact for the second year running.

Since the establishment of First Bank in 1894, our key priority has been to consistently nurture relationships with all our stakeholders as we laid the foundation of visionary leadership, good corporate governance and responsible banking.

We are therefore pleased to note that the four key pillars of the United Nations Global Compact which are: Human Rights, Labour, Environment and Anti-corruption strongly align with our vision and goals.

This is our second Communication on progress report and it showcases our continuous commitment to adhering to the UNGC principles as evidenced in our corporate responsibility and sustainability strategic pillars: which are: Community Support, Environmental Sustainability, People Empowerment and Sustainable Finance. In line with the business goals, in 2014, one of our key focus areas was youth empowerment and we implemented programmes such as FutureFirst and the Youth Leadership & Development Programmes to drive the enrichment of the youth. The programmes sought to provide youths with the knowledge of financial literacy; leadership and ethics which is believed will make them become socially responsible; financially independent and responsive youth strategically positioned to achieve life goals and effect positive change in their local communities. About 10,500 young people have been reached through these programmes during the year.

We also established the First Bank Sustainability Centre as a specialized training Centre that focuses on sustainability knowledge creation, dissemination and application. The centre currently serves as a capacity building Centre for staff of FirstBank and other financial institutions as well as our customers and stakeholders. Our youth empowerment initiatives and establishment of the Sustainability Centre is anchored on the premise that acquisition of knowledge engenders the understanding and application of human rights amongst citizens.

Our commitment to promoting diversity and inclusion also saw us setting aside the Diversity and Inclusion Day dedicated to creating awareness and ensuring an inclusive work place and work culture. Other initiatives were also implemented under our various existing platforms such as the Hope Rising Programme, Infrastructure Development Programme and our Educational Endowment Programme. The 2014 Progress report will shed more light on these.

Again, we are proud to be a member of the UNGC and we believe that with an unyielding determination, a restless culture of innovation, and continued collaborations with our various partners as well as commitment to enriching the lives of our stakeholders, our Bank will continue to be a strong and enduring force for progressive growth and positive change for the present and future generations which is one of the key objectives of the UNGC principles.

Thank you.

Bisi Onasanya
GMD/CEO
FirstBank of Nigeria Limited



Human Rights

1. BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

Enhancing Human Rights through Financial Literacy and Collaborative Partnerships channeled Towards Promoting Leadership and Ethics amongst Youths and Establishment of the FirstBank Sustainability Centre as a Capacity Building Centre for Promoting Personal and Organizational Sustainability

The Universal Declaration of Human Rights, Article 26 emphasizes the significance of education in the development of human personality as well as the enhancement of human rights and fundamental human freedom. In line with this fact, we have prioritised financial education geared towards personal growth.

The Bank's commitment to engendering personal prosperity, promoting leadership and ethical values amongst youths and ensuring businesses are sustainable and overcome major physical and environmental has seen it launch the following initiatives:

- I The FutureFirst Programme: The FutureFirst Programme was launched in 2013 with Career Counseling and Financial Literacy as major focus areas. The Financial Literacy Programme is geared towards engendering Financial Inclusion amongst the unbanked. It is designed to achieve the main objective of the Bank's youth strategy which is to engage the youths, change their perceptions and encourage them to have a relationship with the Bank. In line with this objective, the Bank partnered with the Lagos Empowerment and Resource Network (LEARN) to empower high school students between the ages of 13 and 17 years old in JSS 3 to



SS2 to make career choices that align with their talents and skills. Experts from different fields such as the Legal profession, Medicine, Education and Journalism amongst others were on hand to teach students the requirements for each preferred career choice. A total of 1,000 students have been reached through the career counseling programme. The Bank plans to further reach a total number of 10,000 students through the same programme in 2015.

A second expression of the FirstBank FutureFirst Programme is the Financial Literacy Programme. The Financial Literacy programme is geared towards promoting financial inclusion amongst the youths. Like the Career Counseling Initiative, the programme seeks to provide basic financial knowledge to high school students between the ages of 13 and 17 years. The programme focuses on teaching students the importance of having a savings culture, knowledge of business management as well as the introduction of youth oriented products and services. The key objective is to empower the students with knowledge and skills for long term financial independence.

In 2014, the Bank in partnership with Junior Achievement Nigeria (JAN) administered the programme through its Employee Volunteering Scheme. The EVS programme saw staff volunteers dedicate their time, talent and resources to teaching financial literacy to high school students in assigned schools. So far, through the financial literacy programme, the Bank has reached out to over 5,000 students. The Bank plans to reach a set goal of 20,000 students in 2015 as it plans to execute the Financial Literacy Programme in other regions of the country.



A volunteer from the Bank teaches high school students about Financial Literacy.

II The Leadership, Ethics and Civics Programme

The leadership ethics and civics programme otherwise referred to as the Youth Development Training Programme is implemented in partnership with LEAP Africa. LEAP is an acronym for Leadership Accountability and Professionalism and is a not-for-profit organization that seeks to empower critical stakeholders, youths inclusive, with the skills, tools and support that they require to become change agents in their communities. The Leadership Ethics and Civics Programme is also implemented through a structured Employee Volunteering Programme which entails a training of trainers exercise where FirstBank volunteers are trained in partnership by LEAP Africa Personnel to be effective facilitators of the Youth Development Training Curriculum. Trained staff volunteers from the Bank also dedicate their time, talents and skills to teach students in their assigned schools on a weekly basis. The key objective of the LEC programme is to empower students with leadership and life skills and in the long run develop dynamic, innovative and principled African leaders. Curriculum includes: Acts and Art of leadership, Leadership Game, Connecting to your inner self and Building

Self Confidence amongst others. Through the Leadership, Ethics and Civics Programme, the Bank has reached out to an average of 2,000 students making them understand their rights as individuals and helping them to build their self-confidence to meet up with the challenges of a world that is constantly evolving.



500 Seat lecture Theatre donated by the Bank to the Federal University of Technology Akure

III Establishment of the FirstBank Sustainability Centre

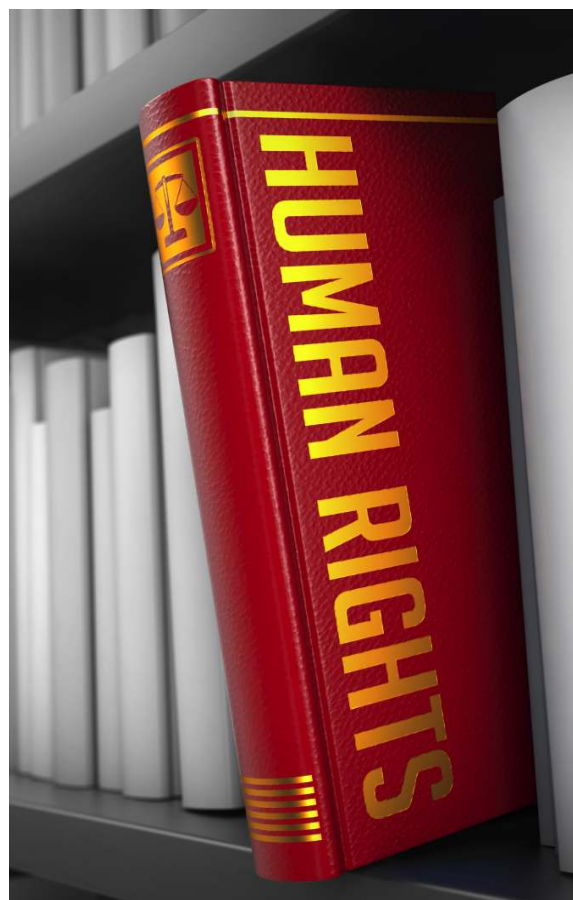
With sustainability becoming very topical, the Bank established the FirstBank Sustainability Centre in 2013 as a specialized Centre that focuses on Sustainability in banking, finance and related issues in partnership with the Lagos Business School..

The FirstBank Sustainability Centre seeks to achieve the following objectives:

- A specialized training center that focuses on knowledge creation, knowledge dissemination and knowledge application as it relates to Sustainability in banking, finance and related Issues;
- A capacity building center for staff of FirstBank and other Financial Institutions who are signatories to the Nigeria Sustainable Banking Principles (NSBP); and
- A platform to promote best

practice, learning and sharing on Sustainability in Nigeria.

The centre in furtherance of these objectives has organized various conferences, seminars and workshops that have featured both local and international participants amongst which are: An International Sustainability Conference that



2. BUSINESSES SHOULD MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES.

Our responsibilities to our people and stakeholders include protecting, respecting and upholding their rights. We believe our responsibilities go beyond legal compliance to moral obligations. We ensure human rights are not abused and make it our responsibility not to get involved in the violations of human rights.

Both junior and senior executives within the Bank are required to respect the rights of fellow workers as well as members of the host communities where we operate as stated in Bank's employee guide. Our major areas of focus includes security of life and property during work hence the provision of a periodic fire drill to give staff adequate information on what do in the case of a fire incident. The Bank also ensures a fair and conducive working condition for all staff irrespective of grade and job designation. To encourage work-life balance amongst employees, the Bank ensures lights out to enable staff close and go home early.

Also, the Bank encourages the development and growth of staff through regular appraisals and personal development plans. Harassment or abuse of employees in any form is not tolerated within the Bank.

To promote Sustainability practices amongst members of staff, the Bank has trained some members of staff including executive board members on sustainability thus empowering the staff with knowledge on how to stay sustainable as an individual and how to contribute to organizational sustainability.

Furthermore, the Bank maintains an organizational culture that encourages an open line of communication between superiors and subordinates. There is also a fair and efficient procedure for resolving disputes within the Bank and ensuring disciplinary measures that are fair and effective without breaching labour laws or standards.

Labour Standards



3. **BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING.**

Upholding Freedom of Association

At FirstBank, we ensure that in everything we do, our people feel a genuine sense of

fairness, equality, freedom and participation. In creating and sustaining an environment that supports and encourages human rights/freedom of association as well as collective bargaining, we run an organisation where unions (ASSBIFI, NUBIFE) are allowed to function effectively and staff are at liberty to either become members or not.

We hold quarterly meetings with the executives of these unions who are also representatives of staff. These meetings provide a platform for management and union to discuss on all aspects of employees' employment relationship and also serve as collective bargaining mechanism to resolve issues.



4. BUSINESSES SHOULD ELIMINATE ALL FORMS OF FORCED AND COMPULSORY LABOUR

Elimination of All Forms of Forced labour

In carrying out our day-to-day operations, we understand the importance of not only having the right talents at the right places, but also an environment where people are willing to work without coercion. We have

been able to achieve this by developing the right policies and frameworks which have helped ensure that our recruitment process is carried out in line with global best practice which is devoid from all forms of bias such that potential employees make recruitment based decision without fear.

For existing employees, we have established a clear framework for escalation such that our people can freely relate with their Human Resource (HR) business partners on any issue around supervisor-subordinate relationship. We have also reinforced acceptable workplace behaviours through series of campaigns (Jerk behavior campaign, etc). All these initiatives are strategically aimed at ensuring that we have a workforce that is not only emotionally connected to our brand, but also willing to effortlessly champion the cause of the brand.

Also, as a matter of principle, the Bank does not maintain partnerships with any organization or group that uses forced or compulsory labour. We carry out intensive due diligence checks on our partners employment policies before building relationships with them.

5. BUSINESSES SHOULD UPHOLD THE EFFECTIVE ABOLITION OF CHILD LABOUR.

See principle 3 & 4

6. BUSINESSES SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

Promoting Diversity and Inclusion

We have a diverse workforce across the Group. We therefore consider it important to create and sustain an environment that makes it possible for the business to leverage its diversity for success. As a Group, we pride ourselves on being an equal opportunity employer and have integrated Diversity and Inclusion policies and awareness into our practices. The following are highlights where we have incorporated this:



- In furtherance of our aim of entrenching Diversity & Inclusion and women economic empowerment/ career growth, the Bank launched the women network, which serves as a platform for women to share information, experience, best practice and education in order to engender personal and career growth.
- We have a diversity team responsible for ensuring the Group has a diverse workforce and an inclusive workplace with opportunity for the talents of all employees to create value, deliver a superior client experience and develop innovative solutions for the markets and the communities we serve. In the team, we have a visually impaired staff of the bank as one of our Diversity Champions (key driver of diversity initiatives). We have also set aside a Diversity & Inclusion Day to create awareness and ensure an inclusive workplace/ work culture. To this end, and as part of our yearly event, the FirstBank 2014 Diversity & Inclusion Day was organized with the theme – “Leveraging Diversity for Business Success”. This event held simultaneously across all locations within the Group.
- Create a working environment where the various workforce generations will thrive. We have also reviewed the gender policies and demographics. We currently have nine women on the respective boards of the subsidiaries that make up FBN Holdings – which is the highest of any holding company in Nigeria. We have profiled the various generations at work and preferred a value proposition to engage them
- The Diversity & Inclusion objective of the Bank is to be a recognized industry leader in workforce diversity, and one which leverages diversity for its growth and the success of the customers and communities it serves.
- We continued with our Mantra of “Wholesomeness in 2014 and as a matter of principle, we ensure that we are demonstrably fair in our dealings with all staff and do not discriminate on any grounds either of ethnic or national origin, religion, disability, family, commitments, age or marital status.



Participants at a FirstBank Sustainability Programme: Workshop for Women in SMEs.

Hope Rising Programme

Hope Rising Initiative is one of the key programmes of the Group designed to empower people living with disabilities. Its key objective is engendering inclusivity and diversity through education, advocacy and enlightenment; skills acquisition training; as well as inclusive events. Our main focus is creating awareness on Down syndrome and how to live with Down syndrome. This is enhanced by the Hope Rising drama series which focuses on highlighting the challenges of Down syndrome and exploring efforts at combating the disorder whilst providing the platform for advocacy and public enlightenment.

Asides from airing the Hope Rising Drama Series on Down Syndrome, the Bank has maintained an existing partnership relationship with the Down Syndrome Foundation Nigeria. The Bank supports its annual Inter House Sports competition designed to improve the physical and mental wellbeing of children living with Down Syndrome. The Bank also supports its annual awareness week with the goal of increasing advocacy and public enlightenment on the Down Syndrome disorder. In 2014, the Bank conducted an Employee Volunteering Visit to the Down Syndrome Foundation Resource Centre in Lagos Nigeria. This saw staff volunteers from the



Employee Volunteering Scheme Visit to Down Syndrome Foundation Resource Centre in Lagos Nigeria.



Bank visiting the resource centre. It provided an opportunity for staff to demonstrate their care and support for children with Down Syndrome. Donations were made to the Down Syndrome Centre in the form of food, toiletries, clothing and other household materials.

Other initiatives supported by the Bank as part of the Hope Rising programme includes: yearly support to Patrick Speech and Languages Centre Talent in Autism Concert, initiative that seeks out outstanding talents amongst children with autism. The Bank has also retained its support to Mr. Folawiyo Jimoh Adisa, a Para-Badminton player to attend Para-Badminton tournaments across Europe the latest being the fifth Para-Badminton tournament in Alcudia Mallorca Spain, supported two visually impaired law students of the University of Lagos; Mr. Fadiya Babatunde Samuel and Adeeko Oluwaseun Solomon to attend the Nigerian Law Schools in Lagos and Abuja; the Bank supported Peculiar Saints Orphanage Based in Lagos in the building of its permanent site, partnered with the City of David Church in providing a Solar Lighting Project in Kirikiri Town Apapa Lagos, Maintained its support for Mr. Abdul Lateef Alani Azeez, hearing impaired student of the Osun State Polytechnic Iree to complete his HND III education amongst others.



Blue House Celebrating Victory Inter House Sports Competition of the Down Syndrome Foundation .

Environment



7. BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

Contributing to Environmental Sustainability through Responsible Lending

At FirstBank, we are committed to avoiding or minimising environmental impacts through our responsible lending efforts. Our customers remain a vital element of our business. We constantly seek responsible ways in providing products and services to meet their needs while ensuring that we manage our environmental and social impacts in the process, thus contributing to the overall sustainable growth and development.

As part of our commitment to driving sustainability in FirstBank, we have enhanced the existing environmental and social screening process to a more comprehensive mechanism – the Environmental, Social and Governance Management System (ESGMS). The ESGMS consists of environmental, social and governance policy and procedures to screen transactions; guidance for monitoring performance and maintaining ESGMS records; ways of reviewing ESGMS and continuously improve it based upon changing international standards the company's lending profile; considerations with regard to internal and external reporting of ESGMS performance; roles and responsibilities for implementation; as well as budget and training of staff.

In line with local and international standards, the ESGMS also highlights the sector specific policies and requirements with high impacts including oil and gas, agriculture and power.

The Bank through the FirstBank Sustainability Centre organizes seminars and workshop for stakeholders. Some of these seminars and workshops are targeted towards minimizing negative

impact on the environment. One of such is an international conference tagged: 'Implementing Sustainable Strategies in the Energy and Extractive industries.' The conference sought to empower firms in the energy and extractive industries on how to competitively minimize their negative impacts and enhance their positive impact on the environment by embedding sustainability thinking and paradigm in their strategies. This is because; research and experience have shown that a well-articulated and engrained sustainability strategy enhances organizational adaptability and survival in complex environments.

8. **BUSINESSES SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY**

Initiatives to Promote Environmental Responsibility

Part of the Bank's long-term approach to sustainability is minimising its direct and indirect impact on the environment. This has informed the Bank's efforts at conserving energy to reduce global warming by reducing its CO2 emissions; as well as conserving resources – a key aspect being through reduction in the use of paper in our business operations, anchored on our print optimisation programme.

The Bank is constantly seeking opportunities to manage environmental and social footprints through the use of alternative energy sources and the reduction of energy consumption for and from business activities and operations. These have included solar powered ATM machines.

Staff of the Bank are also encouraged to engage in teleconferencing in order to minimize traveling and carbon emission from vehicles. The Bank also invests in innovative technologies that lead to higher carbon efficiencies and financial savings.



9. **BUSINESSES SHOULD ENCOURAGE THE DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES**

Investing in Environmentally Friendly Technologies

As part of our efforts to encourage environmentally friendly technologies, we have been investing in Green IT initiatives. In the last three years, the Bank has actively reduced the size of its data centre using rationalisation and virtualisation techniques. A total of 68 servers have been decommissioned in this period. The Bank has also consolidated its data centre from 90 to 22 servers running 500 virtual servers; this has significantly reduced the energy consumption of IT.

The Bank also has an on-going partnership with the Nigeria Conservation Foundation, Nigeria's premier non-governmental environment conservation foundation dedicated to nature conservation and sustainable development in Nigeria and actively supports its activities annually.

To further enhance the Bank's efforts at conserving energy, mitigating global warming, reducing pollution and reducing waste products in landfills, the Bank engaged in recycling of note books and pens in 2014. As a start off project, the Bank produced five hundred recycled note books and pens which were distributed to the youths in Lagos State Nigeria. In 2015, the Bank targets production of 20,000 recycled materials, notebooks and pens inclusive.

Anti-Corruption



10. BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

Corporate Ethics and Culture

The code of ethics rolled out in the Bank in 2007 has remained in force.

The Board of Directors, in conjunction with its committees, oversees compliance programs by:

- Setting the tone at the top, both internally and externally, and promulgating a compliance charter or values statement. Focusing attention on critical risk areas.
- Ensuring the institutionalisation of the whistleblower helpline process and taking active control when appropriate.
- Working with management to incorporate leading practices (e.g., protocols for investigating complaints, helpline statistics, and internal reporting).

To influence culture and tone, the board:

- Reviews metrics and key performance indicators with respect to the company's compliance with law and policy.
- Maintains a deep understanding of the compliance monitoring, testing, and issue resolution processes.
- Assesses the adequacy of management's response to specific issues and areas of internal control weakness.

At FirstBank, management takes the lead in developing tools to establish the company's culture, through messaging, updating, and distributing codes of conduct, communicating helpline processes, and carrying out annual cultural surveys to test the effectiveness of the programme. The board and management, working together, have been able to strengthen ethics and compliance in the organisation, thus leading to higher quality information, process optimization, improved effectiveness, a protected reputation, and reduced costs.

Customer Complaints and Resolution



Complaints management is an integral part of our overall Service Delivery Excellence framework and we take every complaint we receive seriously and work with our customers to deal with them quickly and in a satisfactory way. By listening to unsatisfied customers and taking actions to remedy issues, where appropriate, we are able to review our service standards and delivery processes to meet these standards.

Our Complaints Handling policy ensures that complaints received are dealt with in a clearly defined, effective and expeditious manner. We encourage customers to deal with their local branch, or the business unit in which the problem originated because our goal is to resolve these complaints at the local level. Where this is unsuccessful; we have an escalation mechanism in place.

Bank wide, all complaints are recorded and classified to indicate the nature of the complaint, along with the product or service the complaint is about. Once complaints are classified, the data is analysed and reported on a regular basis through our Service Measurement Dashboard. On a quarterly basis, our complaints management activity receives senior executive attention and accountability. Our goal is to identify themes or trends that occur with front-line service delivery. With recurring issues identified, we take action to improve front-line service delivery, including reviewing products and services, providing additional training to staff on products and services, updating service standards and improving communications. Changes are tracked and monitored closely to ensure actions result in fewer customer complaints.

It is our policy to acknowledge complaints within 24 hours of receipt and also communicate a final resolution to the customer. We strive to resolve most complaints received within 3 to 5 days, however, where there are complexities involved which could extend resolution for more than 5 days, we provide the customer with a progress report. Where customers are not satisfied with the resolution provided, the Bank's Service Ombudsman will act as an independent arbiter in resolving cases.

In addition to our complaints management process, it is essential that customers who complain are satisfied with the complaints management process, hence we also have a complaints feedback system, through which, customers who complain are surveyed for feedback on the handling process, the feedback received helps us identify areas for improvement.

Whistle Blowing Procedures

Whistle Blowing is a process of raising concern about a wrong doing, illegal or unlawful conduct, e.g., fraud, corruption, bribery or theft. The Board of Directors attaches priority to high ethical standards and probity, and expects all its employees and officers to observe these standards in all their dealings in the Bank. Thus, in compliance with the statutory requirement from CBN in its circular on Code of Corporate Governance for Banks in Nigeria, FirstBank's Whistle Blowing framework which had been established in 2010 was restructured.

The Bank's whistle blowing policy spans both internal whistle blowers (staff, contract employees, management or directors) and external whistle blowers (customers, service providers, applicants, auditors, consultants, regulators and other stakeholders). The stakeholders include employees, customers, contractors and service providers. The process creates a work environment where concerns on misconduct, irregularities or malpractices can be raised without fear of harassment and/or victimisation. Concerns are taken seriously and investigated and the outcome communicated.

During the 2014 financial year, several cases were recorded. Some of these cases includes fraudulent withdrawals from customers' accounts, fraudulent attempts by customers to connive with staff of the Bank at different branches to commit fraud, forgery of signatures, fraudulent Inter-Bank transfers etc. Appropriate disciplinary measures have since been taken on staff found culpable in some of these offences some of which includes outright dismissal, suspension, prosecution etc. Customers or outsiders who tried to connive with staff to commit fraud have also since been handed over to the police for prosecution.

Bank accounts involved have since been regularized with appropriate measures taken to prevent a reoccurrence and customers whose accounts were tampered with have also been compensated and assured of the Bank's commitment at protecting their interests at all times. Furthermore, Bank Accounts opened with the intention to commit fraud by requesting that unsuspecting members of the public deposit specified sums into the said accounts as part of promotional activities of the Bank have also been frozen and perpetrators meted with appropriate punishment.

It is worthy of note that the Bank maintains confidentiality of data and the identity of the whistle blower.

The phone lines are 01-9054583, 01-9054543 & 01-6054525 and the email address for the public is firstcontact@firstbanknigeria.com. Members of staff may contact Adeyemi.O.Ogunmoyela@firstbanknigeria.com or Internalaudit.Head@firstbanknigeria.com. In addition, whistle blowers can also log onto www.firstbanknigeria.com and click on the whistle blowing portal to report misconduct. Other avenues open to whistle blowers are through a letter to the Group Managing Director/Chief Executive or directly to the Chief Internal Auditor.



