

ZENITH BANK PLC

2015

UN Global Compact

Communication on Progress Report

This report covers the period from
August 2014 to August, 2015

- People
- Technology
- Service



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In its Commitment to operating in line with global best practices in all aspects of its business, Zenith Bank Plc has joined the United Nations Global Compact. Chairman and Co-founder of the Bank, Mr. Jim Ovia consummated the process in New York, USA, August 2014. With this, the Bank is now making UN Global Compact and its principles part of the strategy, culture and day-to-day operation of the company.



Jim Ovia
Chairman, Zenith Bank Plc

H. E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

I am pleased to confirm that Zenith Bank Plc supports the ten principles of the Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engage in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Zenith Bank Plc will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the Global Compact and renewing our on-going commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurement of results).

Sincerely yours,


Jim Ovia
Chairman

Corporate Information

Zenith Bank Plc was established in May 1990, and commenced operations in July of the same year as a commercial bank. The Bank became a public limited company on June 17, 2004 and was listed on the Nigerian Stock Exchange (NSE) on October 21, 2004 following a highly successful Initial Public Offering (IPO). It currently has a shareholder base of about one million and is Nigeria's biggest bank by tier-1 capital; a position it has maintained consistently in the past five years. In 2013, the Bank listed \$850 million worth of its shares at \$6.80 each on the London Stock Exchange (LSE).

With its headquarters in Lagos, Nigeria, Zenith Bank Plc has over 500 branches and business offices in prime commercial centres in Nigeria and the Federal Capital Territory (FCT). In March 2007, Zenith Bank was licensed by the Financial Services Authority (FSA) of the United Kingdom to establish Zenith Bank (UK) Limited as the United Kingdom subsidiary of Zenith Bank Plc. Zenith Bank also has subsidiaries in Ghana, Zenith Bank (Ghana) Limited; Sierra Leone, Zenith Bank (Sierra Leone) Limited; Gambia, Zenith Bank (Gambia) Limited. The bank also has representative offices in South Africa and The People's Republic of China. The Bank plans to take the Zenith brand to other African countries as well as the European and Asian markets.

Vision and Strategic Objective

Zenith Bank has clearly distinguished itself in the banking industry through superior service quality, unique customer experience and sound financial fundamentals. These have become part of our corporate culture, evident in excellent financial performance, good asset quality, stable management, dedicated and highly skilled work-force, cutting-edge Information and Communication Technology, efficient and effective distribution channels.

The Vision: "To become the leading Nigerian, technology-driven, global financial institution, providing a distinctively unique range of financial service"

The Mission: "To build the Zenith brand into a reputable international financial institution recognized for innovation, superior performance and creating premium value for all stakeholders".

Core Values: Integrity, Professionalism, Excellence, Best corporate governance, Commitment, Transparency and Service"

In 2012, Zenith Bank was recognized as one of the 30 Outstanding Global Brands making sustainable impact on their operating environment. This recognition was prelude to the United Nations Development Programme's (UNDP) Conference on Sustainable Development (Rio+20) which held in Rio de Janeiro, Brazil in June 2012.

For more information

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ZENITH BANK GROUP

FINANCIAL HIGHLIGHTS

As at December 2014 (Amounts in Billions of Dollars)

\$20,213

Total Assets

\$9,309

Loans to Customers

\$2,975

Shareholders' Equity

\$535

Profit After Tax

\$13,657

Customers' Deposits

7,278

Employees

377

Branches

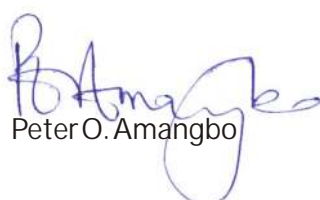


We in Zenith Bank hereby reaffirm our commitment and support to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. The Ten principles have in various degrees always been part of our daily operations and codes. In this annual Communication on Progress (COP) report, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. While we realize, as a bank, that the many social and environmental challenges facing society today are greater than any one organization, we are committed to making a positive difference within our sphere of influence. In the past twelve months, since we signed on to the Global Compact, we have made progress integrating the Compact and its principles into our strategy, culture and day-to-day operations. We have taken steps to reduce our impact on the environment to the barest minimum, to increase our commitment to the communities where our employees live and work and to continue operating honestly and ethically. We have also introduced a few new policies and refreshed old ones that take us closer to the objectives of the Compact.

Our Code of Conduct guides us as we grow and confront new business. It defines how we treat each other with fairness, dignity and respect, and provides guidance regarding acceptable and appropriate practices and actions for all our employees, customers and stakeholders. In line with our commitment to support the Compact's Ten Principles, we have included in this Communication on Progress (COP) Report, details on how we are implementing the Ten Principles. This COP is part of our overall commitment to communicate transparently about our sustainability strategies, activities and progress.

We signed the Global Compact in August 2014 because we believe that supporting human rights, Labour standards, environmental sustainability and ethical behavior is not just our duty; it also makes good business sense. I am proud of the progress we have made and we will keep working to integrate these principles throughout Zenith Bank and share this information with our stakeholders using all our channels of communication.

Thank you


Peter O. Amangbo



Peter O. Amangbo

Group Managing Director / CEO
ZENITH BANK PLC

ZENITH BANK IMPLEMENTATION OF THE TEN GLOBAL COMPACT PRINCIPLES

Zenith Bank conducts business in accordance with the laws and regulations and follows international guidelines and recognized principles for corporate responsibility, including standards for human rights, labour rights, the environment and anti-corruption. ZENITH BANK'S culture and values are aligned with the UNGC Ten Principles and are at the heart of how we conduct business. We have integrated these Ten Principles into existing policies to be implemented in our daily activities. The ten principles can be clearly seen in our Code of Ethics, our business strategy and policies. The following report provides an overview of how the Ten Principles have been implemented across business and service lines:



Human Rights Principles

Principle 1: Business should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses



Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: The elimination of all forms of forced and compulsory labour

Principle 5: The effective abolition of child labour

Principle 6: The elimination of discrimination in respect of employment and occupation



Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmentally friendly technologies



Anti-corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery






Human Rights Principles

Zenith Bank recognizes that human rights are fundamental part of business. The Bank respects and supports the Universal Declaration of Human Rights and the Guiding Principles on Business. We are committed to conducting our business in a manner that respects the rights and dignity of all our people.

Zenith Bank has several guiding principles such as:

- **The Code of Conduct:** This contains rules and policy statements that help employees in their daily decision making regarding such issues as information confidentiality, professionalism, anti-corruption and conflict of interest.
- **HR Policies:** which consist of a number of policies that outline the bank's aims in areas such as working environment, employee training, health, remuneration, reward and environmental sustainability.
- **The Code of Ethics:** which contains principles that govern the relationship of the bank with its customers/stakeholders, contractors, suppliers and employees.
- **Whistle Blowing:** Policy which encourages the employees to voice out if they have legitimate concerns about dubious behaviors, malpractice or wrongdoing within the organization.

Our Commitment Is Implemented Through Various Policies, Values and Standards:

-  **Diversity and Equal opportunity:** The bank provides equal opportunity for disables and implements a disability quota with regards to employment. We also value and encourage diversity.
-  **Health and Safety:** We provide safe and healthy working environment in all our operations and branch premises.
-  **Wages and Benefits:** We compensate our employees in a manner that makes them meet their basic needs and motivates them to remain committed. Employees are paid salaries on a monthly basis in addition to sundry allowances and annual profit sharing bonus where applicable.



Labour: We maintain the labor values including working hours, conditions, wages that are in compliance with the Nigerian Labour law.



Access to Health care: We acknowledge the right to health to all our staff and work towards expanding access to health care through a medical allowance given to each staff. The bank has also at various times sponsored critical health cases internationally.



Forced Labour: The bank totally condemns the use of forced and child labour as defined by the Nigerian labour law.



Privacy: We respect our external and internal customers' privacy. We protect personal and confidential information that we collate using state of the art software.



Customers: We consider the economic, social, geographic and cultural diversity of our customers as we develop and market our products.



Compliance: We observe and strive for even more, demanding standards consistent with human rights policies to the extent that we do not violate local and international laws and regulations.



Non-discrimination: We do not discriminate in employment, contracting, wages, promotion, working conditions or in any other opportunity based on race, colour, gender, genetic information, age, religion, ethnicity, marital status or disability.



Business Partners: We expect appropriate standards of conduct and respect for human rights, consistent with our own, from our suppliers, contractors and partners.

Environmental Principles



Environmental Initiatives

The environment is one of the strategic areas of focus of Zenith Bank and we have invested in ensuring a clean and healthy environment wherever we operate, over the years.

Also, it is worthy of note that we adhered to all stipulated environmental requirements in the conduct of our operations. We have never been exposed to any monetary or non-monetary sanctions for non-compliance with environmental laws and regulations. This will be sustained in coming years.



Energy Consumption

In today's world where the average global temperature is on the rise annually, there is need to conserve energy and reduce the amount of energy (in whatever form) that is being released into the environment. The earth has been plagued with "Global Warming" and the "Greenhouse Effect" which has become evident in the rise of flooding, typhoons, tsunamis, the melting of the ice caps in the tropics etc.

Global Warming is occasioned by the release of Greenhouse gases (GHGs) into the atmosphere of which Carbon Dioxide is one of the major components apart from Methane, Nitrous Oxide and ozone. These gases greatly affect the temperature of the earth; without them, the earth surface would be much cooler than it is today.

The Bank acknowledges that some areas of its activities can lead to environmental and social risk, therefore, as a responsible organization, adhering to standards and business principles are prioritized in the way we do business. We seek to improve energy efficiency and reduce greenhouse gas emissions in our daily operations. We intend to fully implement processes to effectively measure gas emissions bank wide on an annual basis.



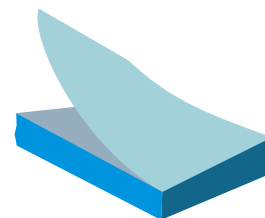
Energy Efficient Initiatives

Our goal is to go beyond compliance and move towards global best practices in order to continually have a positive impact on the society for the benefit of all our stakeholders. To this end, we have implemented some measures to reduce energy consumption and greenhouse emissions.

Paper Consumption

Paper recycling: We encourage staff to be environmentally aware and use recycled paper (where appropriate). We also promote shredding of fully utilized papers. This helps save landfill space and decreases need for disposal. Our practice of printing front and back, however only continues with reference to internal correspondences.

Process automation: We have automated most of our processes, significantly reducing the need to print documents. These processes range from Credit approval process to requisitions for software access amongst many others.



Use of alternative service delivery channels: The number of transactions effected by individual and corporate clients through electronic banking channels is increasing gradually. Using the internet or mobile banking solutions, individual clients can effect funds transfer, which make the use of printed form unnecessary. Corporate customers can also make salary payments via the e-pay solutions while account statements can be generated or sent via mail. All these help reduce paper consumption in our operations.



Environmental Principles

Water usage: Our main source of water are boreholes and state owned Water Corporation. Usage has been difficult to measure but we intend to put in place alternative means of measurement of water usage bank wide.



Waste Management: We dispose of fully depreciated hardware by donating them to our communities. All paper materials are put in wastepaper bins and shredded where applicable. This will be sustained in coming periods.



Generated waste is collected in properly maintained waste compartments and properly disposed of by appropriate agents (e.g. Lagos State Waste management Agency (LAWMA) in Lagos at a designated time. Processes are currently being put in place to aid the recycling of our waste in the (near) term.

s/n	Energy Efficient Initiative	Impact
1	Installation of low energy consuming air- conditioners and heat extractors in some of our locations.	Reduction in greenhouse emissions
2	Installation of Gas Power engine generating set at the head office	Clean burning (excellent environmental impact) preventing production of harmful emissions; Reduction in noise pollution (quite engine noise)
3	Installation of video conference facilities in strategic locations bank -wide	Reduction in travel time and carbon emissions due to bank's operation.
4	Installation of hybrid power solution (inverter) at our branches as power sources	Reduction in carbon emissions.
5	Replacement of modular fluorescent fittings with energy saving bulbs at our branches	Eliminating of incidence of fire outbreak that may arise from the burning of chokes, reduction in energy consumption, and reduction in heat energy released into the environment.
6	Synchronizing of staff movement via staff buses to reduce the number of cars plying the road	Reduction in energy consumption and greenhouse emissions.



Ethical practices constitute the pillar of our existence as an organization. The bank and all its subsidiaries have been equipped with regulatory policies and codes that we must deeply embed in our business culture. Our professional standing is inherently connected to our upholding of these regulatory tools in our daily practice, as individual, as a company, and consequently as a professional community.



Zenith Bank guarantees that whoever reports a case using any of the tools in good faith will be protected from any form of retaliation, discrimination or penalization, and ensures maximum confidentiality, except in cases otherwise indicated by law. These regulatory tools are to be carefully used, remembering that policy does not cover concerns about an individual's or collective terms of employment, since these are covered in the other internal legal acts. It is also not intended as a route to re-examine the findings of other formal procedures, such as disciplinary or complaint proceedings.

Zenith Bank's Code of Ethics

This Code illustrates the value of Zenith Bank and aims to direct individual behavior accordingly, with the knowledge that an understanding of social and environmental factors contributes to minimizing exposure to credit and compliance risks and strengthens the company's reputation. A hard copy of the code is delivered to each manager and employee upon appointment, hiring or at the start of a work relationship.

Zenith Bank Whistle blowing policy

Whistle blowing can be done to face the most significant concerns over any wrong-doing within the bank relating to unlawful conduct, financial transgression or danger to the employees.

There are training sessions at entry level to raise the awareness of employees about the bank policies. Employees can report any malpractice within the bank at any time by sending an e-mail to compliance department.





Labour Principles

The bank is governed by rules and regulation that govern the labour. These rules are related to wages, leaves, duties of each employee and termination. The Nigerian labour law supports this through its articles in terms of wages, leaves, duties, investigation in case violation, working hours and breaks in addition to articles related to social and health services.

Zenith Bank does not use forced, compulsory or child labour. Our people want to work for an organization that encourages and respects individuals, and this is one of our core values. Our target is to create a global culture of diversity.

We are aware of the challenge of balancing professional achievement and personal well-being. We care about helping our employees succeed, and are focused on providing resources to improve their health and that of their families, creating a culture that appreciates differences, and offering more opportunities to grow both professionally and personally at work and in the communities where they live.





Road Building & Maintenance

Ajose Adeogun Road, Victoria Island, Lagos: Built and maintained by Zenith Bank. The road is one of the most modern and heavily used in the commercial capital city of Nigeria. The road exemplifies Zenith Bank's care for the environment as well as commitment to infrastructural development and sustainability

This is the Ajose Adeogun Street (Lagos) Round About - Built and maintained by Zenith Bank. It is one of the best kept open spaces (grassed) in the Lagos Metropolis.



Round About & Grassed Lawn

Annual Youth & Children Parade



Zenith Bank Staff & Children during the Bank's Year-end Social Activity/Parade



The completed university of Uyo permanent site Gate House, Uyo, Akwa Ibom State

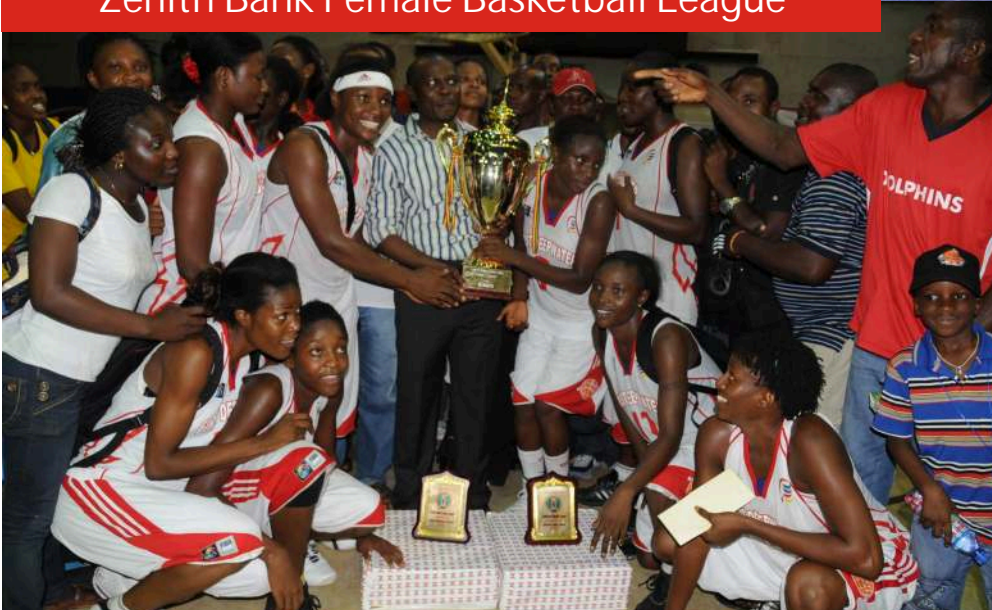
Ojota Senior Secondary School, Lagos 'adopted' by Zenith Bank; renovated, with refurbished library and science laboratory equipment



Federal University of Agriculture, Abeokuta hostel block built and donated by Zenith Bank Plc to alleviate accommodation challenges in the school.



Zenith Bank Female Basketball League



For over a decade, Zenith Bank has been the sole sponsor of the league. Many talents have been discovered, and several local and international champions have been made. Also, many youths (young girls) have been meaningfully engaged and economically empowered through the game.

Digital Empowerment



Zenith Bank in its effort at supporting education and digital empowerment, has built, equipped and donated ICT Centres in a number of schools. One example is the Lagos State University's ICT Centre.



Health Support

A boy with 'Hole-in-the-Heart' sponsored for treatment in India by Zenith Bank



Zenith Bank, as part of its healthcare support, has equipped a number of hospitals, maternities and health centres in many communities. The Bank has also built many of such healthcare facilities and equipped them. One example is this ultra-modern healthcare facility built in the heart of Lagos (Idumota) by Zenith Bank.