

18 May, 2017

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017
USA

Your Excellency,

**Ten Principles of the United Nations Global Compact:
Statement of Continued Support by Ecobank Transnational Incorporated**

I write to reaffirm the commitment of Ecobank Transnational Incorporated to the Ten Principles of the United Nations Global Compact ('UNGC') and hereby provide you with the 2016 Annual Communication on Progress, ('COP'), report. Since 2011, when Ecobank became a member of the UNGC, the bank has remained steadfast in aligning its policies and strategies to the UNGC's Ten Principles regarding Human Rights, Labor, Environment and Anti-Corruption.

In this Annual Communication on Progress, Ecobank outlines its strong support for the socio-economic development of Africa through transformative and cross-cutting initiatives, such as the right to be protected from harassment at work, the establishment of ethical working conditions, the protection of natural resources and promoting trust and anti-corruption measures within the framework of the United Nations' ('UN') Sustainable Development Goals ('SDG') Agenda. Notably, the bank has aligned its internal sustainability framework with the SDG, with a view to contributing towards achieving the UN's 2030 global goals.

To date, our efforts in the implementation of specific SDGs have been focused on health and wellbeing (SDG 3), education (SDG 4), gender equality (SDG 5), affordable, clean energy (SDG 7), ethical working conditions and economic growth (SDG 8), industry, innovation and infrastructure (SDG 9), climate change (SDG 13) and partnerships for the goals (SDG 17).

In 2017, we reaffirmed our commitment to the promotion of sustainability across our footprint, whilst seeking to balance profitability with sustainable outcomes both for our businesses and operations and the communities in which we operate.

Please accept, your Excellency, the assurance of my highest consideration.


Gary Taylor
Group Chief Risk Officer (acting)



A. Human Rights:

Principle 1 Support and respect the protection of internationally proclaimed human rights

Principle 2 Businesses should make sure that they are not complicit in the abuse of human rights

(i) Description of the relevance of the issue for the company, including policy, public commitments and company goals:

Protection of human rights will always be integral to the way Ecobank conducts business. This is reinforced by the dual objectives of our vision: to build a world-class pan-African bank and contribute to the economic and financial integration and development of the African continent.

Ecobank's Human Resource policies continue to reinforce international human rights' standards, including the nine rights:

- a) the right to work and contribute freely to the purpose and objectives of Ecobank,
- b) the right to information on conduct, ethics and performance standards at work,
- c) the right to enjoy compensation accumulated in labor, in terms both of wages and salary,
- d) the right to keep all employee records in a secured environment to be accessed only by authorized personnel,
- e) the right to belong to a union,
- f) the right to be protected from harassment at work,
- g) civic rights, and,
- h) the right to complain and express grievance.

Our commitment to our people will always be the key to our growth and success as a business. We value our people and will strive to provide each and every employee with a wide range of professional and personal opportunities to enhance their strengths and talents and maximize their potential. We provide a continuous learning environment, where creativity is encouraged, celebrated and harnessed, for diversity, respect and integrity remain core values for Ecobank. Furthermore, our footprint in the African continent offers the opportunity for our employees to work across multiple countries, enabling them to develop their careers locally and globally. Ecobank recognizes the hard work of its employees and continues to implement a competitive reward and benefits program.

(ii) Description of concrete actions to implement, address and respond to the issue (Implementation):

As the leading pan-African bank of international repute, Ecobank will, at all times, continue to meet its obligations and responsibilities to its employees, shareholders and the communities in which we operate. How well Ecobank measures up to the expectations of its customers and partners depends on the performance of each employee and the implementation of human rights relevant to our businesses. Human rights are vital to our organizational sustainability, as we strive to remain a leading employer of choice across the continent.

We are pleased to inform you that the Ecobank Transnational Incorporated ('ETI') Board has approved our revised Human Resource policy handbook. This comprises over 80 policies, covering a wide range of issues, such as:

- a) Employment and Orientation
- b) General Work Conditions
- c) Personnel Records
- d) Attendance and Leave
- e) Employee Welfare
- f) Employee Relations
- g) Performance Management
- h) Learning & Development
- i) Talent Management
- j) Compensation and Benefits, and
- k) Termination of Employment

These policies reinforce our corporate identity, our mission and our vision. Furthermore, be they new recruits or those with years of service with Ecobank, we continue to remind everyone to familiarize themselves with this handbook. It is intended to help our people establish successful working relationships as members of the Ecobank community.

(iii) Description of how the company monitors and evaluates (Measurement of outcomes):

We are pleased to report that Ecobank has received no complaints from employees, business partners or clients in relation to human rights violations, nor was the bank involved in any human rights incidents before or during the reporting period. Our Compliance department continues to grow; promulgating its mandate across all geographies in which Ecobank currently operates. It is our strategic priority to ensure that human rights compliance remains at the top of our agenda.

B. Labor:

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4 Elimination of all forms of forced and compulsory labor
- Principle 5 Effective abolishment of child labor
- Principle 6 Elimination of discrimination in respect of employment and occupation

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining (Promoting Diversity and Inclusion):

As one of the largest organizations in the continent, each of Ecobank's countries of operation strictly adheres to local regulations regarding staff representation and collective bargaining.

Ecobank embraces its highly diverse workforce, which reflects varying national, cultural and gender characteristics. The Group has prioritized the nurturing of a corporate culture in which our employees want to work and choose to stay. The fact that our workforce is made up of more than 40 nationalities enhances our overall customer insight, as well as our ability to meet their needs and those of our other stakeholders. We are continuing to make significant progress towards greater gender equality at all levels of the organization. For example, women now make up 44% of the overall headcount, whilst 30% of the management team is female. We are proud of our progress towards gender parity in the workplace and are confident that we shall reach our Planet 50:50 goal well before the UN's 2030 deadline. Yet we recognize that more needs to be done to address the challenges that are impeding Africa's women and girls from reaching their full potential.

Evidence suggests that women are the most productive members of African society, and thus strong contributors to economic growth. Yet, many African women still lack access to basic credit. In particular, women in agriculture, the mainstay of most African economies, and small businesses require better access to financial services. In this regard, we are developing a new program to further support gender equality that extends beyond the Group into the local communities that we serve. Our African businesswomen need access to working capital to better manage cash flow and fund investments in new equipment and technology. It is for these reasons that we consider women to be an especially valued segment of our pan-African customer base.

Last but not least, Ecobank continues to foster a culture where employees' contributions are listened to and valued. 'Voice of the Employee' surveys were conducted in various countries during the year, with transformational taskforces formed to address the issues identified.

The elimination of all forms of forced and compulsory labor (Improving Employee Welfare):

Ecobank's employee welfare policies have remained consistent. We continue to promote the well being of our employees and their families by providing various benefits, such as full medical cover, including medical examinations and repatriation in the event of critical illness. Other benefits include retirement schemes, based on local regulations and practices, and air tickets for home leave. Reflecting the institution's commitment to family values, Ecobank sponsors annual activities, such as end of year parties and gifts for the children of our staff. Employees can also avail themselves of various loans at preferential rates, irrespective of their seniority to enable them to buy a home or other valuable assets.

There are also programs and other workplace activities, such as sports, social and clubhouse activities, to encourage staff to be more physically active. In most countries, employees have access to an infirmary, where nurses are on call during normal working hours and doctors attend twice a week. Where there is no infirmary, staff healthcare arrangements are made with local medical centers.

The Group has also adopted best practice policies with respect to health and safety, stress management, violence, bullying and harassment in the work place.

The effective abolition of child labor:

As clearly indicated in the Human Resource and Procurement policies of Ecobank, the bank sees the hiring of child labor as a deprivation of access to education and developmental needs and we reject all child labor practices. Ecobank has a zero tolerance for child labor in our business and operation, as well as those of our customers and suppliers. We are proud that no Ecobank subsidiary is involved in the practice of child labor. We continuously assess our customers' activities on multiple social and environmental risk issues, including labour conditions in their business and operations. We also assess labour conditions across our procurement supply chain to identify labour and other social standard violations anomalies in their businesses and operations. If identified, contracts with suppliers who use child labour will be terminated immediately.

The elimination of discrimination in respect of employment and occupation:

Ecobank has over 17,000 employees, representing 43 nationalities from around the world. The diversity of backgrounds and skills within our workforce plays a key role in our unique, pan-African culture. At Ecobank, we recognize the importance of the effective deployment of our human capital to create sustainable value. Alongside our unmatched footprint, customers and infrastructure, our people are at the heart of our 5-year corporate plan to build Africa's leading financial services platform.

In 2016 the Human Resources department continued to accelerate and institutionalize our vision of equipping the business with the necessary enablers to ensure the sustainable creation of shareholder value.

The following key strategic Human Resources areas were further strengthened in 2016:

- Learning and Development
- Talent and Performance Management
- Compensation and Benefits
- Strategic Workforce Planning and People Efficiency
- Organizational Effectiveness
- Promotion of Diversity and Inclusion, and
- Improving Employee Welfare

C. Environment:

Principle 7 Support preventative approach to environmental challenges

Principle 8 Undertake initiatives to promote greater responsibilities

Principle 9 Encourage the development and deployment of environmentally-friendly technologies

Business should support a preventative approach to environmental challenges (Protecting Natural Resources):

As we transition to a more sustainable banking institution, the implementation of environmental and social risk management ('ESRM') within Ecobank represents a strategic control assessment, aimed at identifying and capitalizing on business opportunities, whilst protecting the environment and upholding social standards. For Ecobank, Environmental and Social Risk ('ES') management is an attempt to shift away from unsustainable business practices by adjusting our lending criteria and prioritizing the deployment of green and low carbon technologies.

This engenders a continuous review of the ES risk associated with eligible credit transactions, enhanced staff and management awareness of ES processes and increasing acceptance by leading global ESG implementation partners, as well as the enforcement of ES measures within internal operations.

In Ecobank, ES policy and procedures offer a consistent approach to identification, screening, classification, mitigation and compliance monitoring within our decision-making processes. The ES policy follows the Group Credit Process and Procedures Manual ('GCPPM'), which defines the nature and level of risk that Ecobank is willing to take in pursuit of its strategic and business objectives.

The bank recognizes that adequate capacity building is the single most important component in translating current ES risk management policies into viable business opportunities. We equally acknowledge that quality bank lending is critical to the advancement of the environmental and social dimensions of sustainable banking. It is only through deeper knowledge of sustainable banking opportunities, technologies, products and processes that the desired shift to sustainable business practices can be achieved.

Over the past year, we have worked toward improving the quality of our training delivery to meet international standards, including upgrades to our ES risk management training manual. As a result, 291 members of staff, including Group Board Members, the Group Executive Committee, relationship managers and other employees, participated in ES training conducted via various media as illustrated in the diagram below.

Board Members and Group Executives Committee - 19
Classroom setting for staff (Face to face for staff) - 170
Telephone webinars for staff - 16
Virtual Banking Institute Online toolkit for staff - 86

Undertake initiatives to promote greater environmental responsibility (Environmental sustainability outreach activity):

Ecobank's Board and the Group Executive Committee are adopting a more rigorous approach to manage inherent environmental risks with appropriate best practices. We would highlight the following initiatives undertaken in 2016:

(a) Sustainability knowledge-sharing workshop for senior management: In June 2016, an environmental and sustainability workshop was organized, facilitated by the International Institute for Sustainable Development ('IISD'). IISD is a Canada-based, United Nations-affiliated organization that provides practical solutions to the challenges of integrating environmental and social priorities with economic development. The aim was to deepen the Board's understanding of what constitutes a 'Sustainable Ecobank', as well as highlighting the value of sustainable practices to the Group's businesses and operations. It brought fresh perspectives regarding various issues of economic, social and environmental sustainability and offered a platform for the participants to discuss and proffer solutions to emerging sustainability issues of strategic importance to the Group.

(b) Turning global inspiration into local action - Ecobank Nigeria 'walks for a sustainable environment': In October 2016, the management of Ecobank Nigeria organized an environmental sanitation cleanup exercise across the country, under the banner of 'A Walk for a Sustainable Environment.' Its aim was to educate and raise awareness of environmental and sustainability issues, both in the local community and amongst Ecobank employees, acting as a wake-up call for action to protect our environment and improve the health and social wellbeing of the wider enterprise – employees, customers and the communities to which they belong. It also was also geared at putting sustainability into practice, prompting individuals to eschew consumptive and wasteful habits for more sustainable ones. Led by Ecobank Nigeria's Managing Director ('MD') and other bank executives, over two thousand staff from eight bank locations (Lagos, Sokoto, Ibadan, Abuja, Kano, Port Harcourt, Onitsha and Calabar) joined in the cleanup exercise. Welcoming the Lagos participants, Ecobank Nigeria's MD highlighted the fact that local environmental problems were partly due to improper waste management and poor sanitation. He urged employees to adopt innovative ways to minimize plastic waste, such as the '3Rs' concept of 'reduce, reuse and recycle.'

Encourage the development and adoption of environmentally friendly technologies (Speeding Migration to ‘Paperless’ Operations):

In line with the bank’s strategy of pursuing innovation to create sustainable value, the Electronic Records and Document Management System (‘ERDMS’), introduced in 2015, has benefitted the environment, as well as improving operational efficiency. Today fewer hard copy documents are being kept to meet regulatory compliance requirements for business information.

By scanning documents and using a customized file naming system, front-office staff have fingertip access to the information database. Furthermore, memos and internal newsletters are being circulated via the Group Intranet. The result is an uncluttered office, with more efficient and better-informed staff. By way of illustration, as of December 31, 2016, Ecobank Ghana’s electronic library has stored a total of 4.6 million bank teller records and saved a total of over 10 million sheets of A4 paper.

D. Corruption:

Principle 10 Business should work to abolish corruption in all its forms, including extortion and bribery:

In the fulfillment of its obligation prevent its funding from being diverted from their intended purposes, Ecobank’s anti-fraud and corruption measures encompass prevention, detection, investigation and sanction. The bank relies primarily on its robust anti-corruption, anti-money laundering and counter terrorist financing measures; in particular the integrity of its employees in pursuing due diligence procedures prior to business and operational decision-making. This is necessary in order to avoid corruption and fraud. In 2016, Ecobank introduced an additional measure to enforce good business ethics with the implementation of its whistleblowing system.

Any allegations of corruption or fraudulent behavior detected will trigger investigation by the Corporate Security and Investigation Services (‘CSIS’) to determine the veracity of such allegations. If substantiated, any such misdemeanor will be subject to immediate and long-term sanctions.

Furthermore, the bank leverages its robust monitoring systems to continue to safeguards AML, CFT and other anti-corruption potential issues.