

2018

**SUSTAINABILITY**  
REPORT

Growth. Innovation. Value Creation.



**THE Nigerian**  
**STOCK EXCHANGE**



**THE Nigerian  
STOCK EXCHANGE**



# The Sustainable Exchange Championing Africa's Growth

*Equities . Exchange Traded Products . Fixed Income*

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# INTRODUCTION

We were convinced at the beginning of the year that strengthening investors' education towards responsible investing while creating a conducive environment for transparency, efficiency, growth and productivity, would be pivotal to creating sustained positive impact.



## CREATING VALUE THROUGH INNOVATION



**The NSE's position as a Sustainable Stock Exchange has been further strengthened through our Corporate Sustainability initiatives hinged on four key pillars - Community, Marketplace, Workplace and Environment - scaling impacts across cities and**



The Nigerian Stock Exchange recognises the essential role we play in supporting sustainable economic growth in Africa's largest economy. We have a commitment to our clients, colleagues, and the wider community to run our business responsibly. Our Corporate Sustainability and Responsibility strategy sets out the way through which we foster sustainable economic growth, while creating value for our employees, our communities and within the environment.

In the reporting year, our efforts have been concentrated on delivering our 4-year strategy which focuses on enhancing our customer focus, reorganising for optimisation and capitalising on 'big bang' opportunities. The outcome of these efforts is increasingly expanding our position as the multi-asset hub creating opportunities for our key stakeholders. The expected outcome of this strategy is a fully demutualised financial services hub with a strong customer focus that leverages innovation and technology to deliver an array of world-class products and services which further position the NSE as the sustainable exchange championing Africa's growth.

Despite global capital markets decline, most notably in emerging and frontier markets, The NSE All Share Index (NSE ASI) reached a ten-year peak of 45,092.83 in January 2018. These were largely driven by significant market performance in the 2017 financial year where the Exchange emerged third best performer globally. However, market performance of the NSE was not without its challenges, as significant uncertainties including global political tensions, unstable oil prices and weakening local production resulted in bearish sentiments.

Through these challenges, we have reorganised and optimised performance by investing in our people and enhanced processes for more robust customer relationships.

We launched the Innovation Hub to better position the NSE to leverage on innovation and enhance the adoption of emerging finance technologies through fintech.

The NSE's position as a Sustainable Stock Exchange has been further strengthened through our Corporate Sustainability initiatives hinged on four key pillars - Community, Marketplace, Workplace and Environment - scaling impacts across cities and local communities. We hold ourselves accountable to the highest standards, leading the quest for the integration of the Environmental, Social and Governance (ESG) imperatives in the Nigerian capital market. For us, it is not just enough to walk the talk, we continually influence the ecosystem to embrace sustainable business practices while shaping results across different industries in line with the Sustainable Development Goals (SDGs).

This report captures the progress we have made in imbibing sustainability into every unit of the Exchange, promoting knowledge based ESG focused investments, empowering our employees and achieving strong impact in the community and our environment. It amply touches on key initiatives implemented to embrace sustainability principles in our operations, internalise the values as employees, and influence our ecosystem, all in a bid to remain a good corporate citizen.

I invite you to join us as we work to foster the growth of long-term sustainable finance and improve ESG performance and reporting in Africa's largest economy.

**Oscar Onyema, OON**  
Chief Executive Officer

# 2018 PERFORMANCE AT A GLANCE



## Marketplace



- 10.69 billion Federal Government green bond - First certified sovereign green bond from an emerging economy
- Retained ISO 27001:2013 Certification for our Information Security Management System (ISMS) for the third consecutive year
- UNGC Nigeria Local Network: Nominated steering committee member

## Workplace



- Employee restructuring: Restructured for efficiency and innovation
- Supporting local content: 90% spent on local suppliers
- Anti-corruption: Zero incidents of corruption

## Environment



- Support for the circular economy: Partnered with RecyclePoints to collect and process recyclable waste materials from our premises

## Communities



- Supporting the fight against cancer: N28.5 million raised for cancer eradication
- Financial Literacy and inclusion: 42,480 students impacted with knowledge of financial literacy
- Improving access to quality education: Provided world class education to over 300 children from Internally Displaced Communities (IDPs) in Borno State



## ABOUT THE NSE

Following its establishment in 1960, the NSE now hosts over 258 companies across 12 diverse sectors. The NSE is registered as a company limited by guarantee under the Investments and Securities Act (ISA) and regulated by the Securities and Exchange Commission (SEC) of Nigeria.

# THE SUSTAINABLE EXCHANGE CHAMPIONING AFRICA'S GROWTH

As economic growth and opportunities increasingly improve across the African continent, The Nigerian Stock Exchange is repositioning to better play its part as the engine of sustainable growth for Africa's largest economy.

Following its establishment in 1960, the NSE now host over 327 listed securities across 12 diverse sectors. The NSE is registered as a company limited by guarantee under the Investments and Securities Act (ISA) and regulated by the Securities and Exchange Commission (SEC) of Nigeria.

We are an open, professional and vibrant exchange, connecting Nigeria and Africa to the world. We continue to evolve to meet the needs of our valued customers by working at the centre of the capital market, helping to effectively allocate the resources required to achieve sustainable development.

## Our Mission

To provide investors and businesses a reliable, efficient and an adaptable exchange hub in Africa, to save and to access capital.

## Our Vision

To be Africa's preferred exchange hub.

## Our Values

Our core values are the defining principles by which we operate as individuals and as a company. They define who we are, how we work, what we believe in and what we stand for. Our values are at the heart of everything we do; and they are:

- A – Ambition
- I - Inclusive
- F - Fair

As a leading African exchange by market capitalisation and turnover, the NSE provides investors access to liquidity and transparency across a wide range across a wide array of securities and instruments.

### Equities

The NSE provides equities listing and trading services across a wide range of trading segments on our Premium Board, Main Board and Alternative Securities Market (ASem). Real Estate Investment Trusts (REITs) and Closed-End Funds trading are facilitated through a fully-electronic hybrid trading service (order and quote driven).

### Debt Instruments

Our integrated trading platforms and vast network of dealing member firms connect institutional and retail investors to one of the most liquid bond markets in Sub-Saharan Africa. The NSE features a Retail Bond Trading Platform (RTP) for the benefit of retail investors seeking to participate in a secondary market of local and international listed debt instruments.

### Indices

Our range of indices provide investors with suitable reference tools to track the performance of their investments. The NSE features 13 indices that track market and sector performance including the NSE Corporate Governance (CG) Index which rates select listed companies based on the quality of their corporate integrity, compliance, reputation and understanding of their fiduciary responsibilities.

### Exchange Traded Funds

The NSE provides access to an array of Exchange Traded Funds (ETFs) that track a diversified range of indices including sovereign bonds, the main NSE 30 Index, pension funds and ethical investment compliant instruments.

As the frontline market regulator, we are committed to ensuring that our issuers, listed companies and intermediaries meet their regulatory obligations to uphold investor protection, market integrity and stability. As the market operator, we facilitate secure and easy access to investment and fundraising by providing reliable and resilient market infrastructure and ensuring accessibility to our products and services.

### Associations and Memberships

We maintain partnerships with various local and international organisations to advance the attainment of our vision. Multi-stakeholder partnerships help us share knowledge, experience and technology towards driving sustainable development.

The NSE is affiliated with:



African Securities Exchanges Association



International Organisation of Securities Commissions



West African Capital Markets Integration Council (WACMIC)



World Federation of Exchanges



Sustainable Stock Exchanges Initiative



United Nations Global Compact



Global Reporting Initiative



Financial and Information Services Division (FISD) of the Software and Information Industry Association (SIIA)



Capital Markets Committee (CMC)



Financial System Strategy (FSS) 2020



Financial Services Regulation Coordinating Committee (FSRCC) Nigeria

Financial Services Regulation Coordination Committee (FSRCC)

Others are:

- Financial Information Exchange (FIX)
- Intermarket Surveillance Group (ISG)
- Financial Literacy Steering Committee and Working Groups of the Central Bank of Nigeria (CBN)

### Corporate Information

The Nigerian Stock Exchange (The Exchange/NSE)	
Corporate Headquarters:	2-4 Customs Street, Marina, Lagos
Website:	www.nse.com.ng
Primary Regulator:	Security and Exchanges Commission (SEC)

# 2018 HIGHLIGHTS





## Corporate Sustainability and Responsibility Strategy at a Glance

The unique position of the NSE at the centre of the capital market enables us provide leadership in areas of corporate governance and sustainability. Our Corporate Sustainability and Responsibility (CSR) strategy is focused on leading the sustainability agenda and serving as a model of sound corporate governance practices for Nigerian companies.

Our CSR strategy is executed through 4 pillars, as demonstrated in the graphic below:

# Investing for a sustainable future



*As a sustainable Exchange, we are playing our part in transforming lives and communities. Our Corporate Social Responsibility strategy is anchored on four pillars:*



**COMMUNITY**

*Contributing positively to the communities where we live and work.*

- Global Money Week
- Employee Volunteering NSE Essay Competition
- NSE Corporate Challenge
- Employee Volunteering & Employee Give-Back Initiative
- XTours
- Adopt – a – School Initiative
- Executive Health Enlightenment Programme



**WORKPLACE**

*Fostering a qualitatively oriented work environment that values employee diversity and wellbeing and harnesses the talents and skills of our people.*

- Appropriate training for employees, with 72% training participation achieved over the last three years
- Achieved 38% female staff in managerial positions
- The CEO Awards in recognition of outstanding staff performance.
- The NSE Graduate Trainee Programme
- 1:2 female to male ratio staff retention
- Provision of an Activity Centre, comprising Crèche, Gym and Cafeteria



**MARKETPLACE**

*Promoting market-based approach to Environmental, Social and Governance (ESG) imperatives amongst all stakeholders.*

- Corporate Governance Rating System
- Joined the Sustainable Stock Exchanges Initiative
- Launched Investors' Protection Fund
- Improving transparency via the X-Compliance Report and X-Whistle
- Ring the Bell for Gender Equality
- GRI Gold Community Member
- Curbing market infractions through the Nasdaq SMARTS Market Surveillance
- Technology



**ENVIRONMENT**

*Focusing on reducing the environmental impact of the Exchange's operations*

- Efficient use of energy
- Reducing waste and promoting recycling
- Revitalisation of the Lagos Island financial district
- Reduction in Paper Use
- Efficient and Clean Water System



# Awards & Recognition

- 2018 Award for CSR in Education – Lagos Chamber of Commerce and Industry
- 2018 Award for Best Use of Technology for Efficiency – Nigeria Technology Innovation & Telecom Awards (NTITA)

## **Leading Change In CSR Education**

We are pleased to be recognised for our contribution to improving access to quality education for children from Internally Displaced Communities in the North East through our partnership with Bridge International Academies (BIA). Through this partnership, we deployed BIA's technology infused disruptive educational approach for over 250 children in conflict-ridden areas of Borno State.

See Communities, page 46, for more on our education intervention in Borno State.

## ABOUT THIS REPORT

This 2018 Sustainability Report aims to share information on the diverse initiatives the Exchange is undertaking to contribute to the realisation of a sustainable society. It captures our commitment to providing market solutions as well as supporting a financial ecosystem that fosters long-term investment that will drive sustainable economic growth. The report also explains the impact of our activities towards the attainment of the global Sustainable Development Goals (SDGs) adopted by the United Nations in 2015. In addition, we aligned our activities to the United Nations Global Compact Local Network Nigeria to which we were appointed as Steering Committee member during the reporting year.

As with previous years, we have based our reporting approach on the framework and guidance provided by Global Reporting Initiative (GRI). This report has been prepared in accordance with the “core” option of the GRI Standards which is the most recent GRI reporting framework. We have adhered to the GRI principles for defining report content including:

**Stakeholder Inclusiveness** – Our approach to building enduring relationships with stakeholders by being responsive to their reasonable expectations and interests

**Sustainability Context** – Our performance in relation to sustainability related issues in the context of both the local and global concerns

**Materiality** - Focusing on issues that are most important to our business and stakeholders, and opportunities where we can have the greatest impact. The analysis of material aspects was conducted under the framework of our CSR approach covering the dimensions of our strategic pillars.

**Completeness** – We strive to include all information that is of significant economic, environmental and social impact to enable stakeholders to assess the NSE's performance.

Our GRI Content Index provides a full list of our GRI disclosures with relevant references. This is provided on page 53 of this report.

### Report Timeframe

This report provides an update on The Exchange's sustainability performance from 1 January, 2018 to 31 December, 2018. It emphasises our proactive management of stakeholder expectations and how this has shaped the principles we have adopted in our day-to-day business activities.

### Significant Changes to Boundary and Scope

As part of our drive to improve efficiency across all platforms, seven of our branches were made inactive

during the reporting year. This report communicates progress on our sustainability commitments at the corporate head office and across the active five branches pan Nigeria .

### Referenced Reporting Guidelines

The following guidelines, principles and frameworks have been cross-referenced in the course of this report:

- Global Reporting Initiative (GRI) Standards
- Sustainable Development Goals (SDGs)
- United Nations Global Compact (UNGC) Communication on Progress (COP)
- Sustainable Stock Exchange Initiative (SSEI)

### Data Integrity

The data represented on the economic, environmental and social indices of this report is based on the reports and documents of different departments and units of The Exchange which have contributed to the contents of this report based on their activities/performance for the reporting year. Strict internal control has been exercised to collect and analyse data to support all disclosures in this report.

The Exchange is committed to complete transparency and has represented the impact which our business has on people and the planet in a fair manner. Our effort has been to ensure that the information presented in this report is unbiased, comparable, accurate, reliable and comprehensible.

For more in-depth content and additional information about the NSE, contact:

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## LEADERSHIP AND GOVERNANCE

# NATIONAL COUNCIL MEMBERS



### **Otunba Abimbola Ogunbanjo**

National Council President

He currently serves as the Managing Partner of the renowned leading corporate law firm of Chris Ogunbanjo & Co (Solicitors). Otunba Ogunbanjo serves on the boards of several multinational corporations and non-profit organizations including Beta Glass PLC and the Advisory Board of the University of Buckingham Centre for Extractive Studies. He is a past Board member of GTL Registrars and ConocoPhillips amongst others.



### **Mr. Aigboje Aig-Imoukhuede, CON**

Ex-Officio

Mr. Aig-Imoukhuede is the founder and Chairman of Coronation Capital Nigeria Limited. He is also founder of the Africa Initiative for Governance (“AIG”). Aigboje Aig-Imoukhuede led the 2002 acquisition of Access Bank, then a fringe regional player. As Group Managing Director and Chief Executive Officer, he was head of the team responsible for placing the Bank on an unprecedented growth trajectory, transforming the bank into top-5 leadership position in Nigeria. Aigboje retired as CEO of Access Bank in December 2013.



### **Mr. Oscar Onyema, OON**

CEO

Mr. Onyema has been CEO and member of the National Council of The Exchange since April 2011. In this role, he is responsible for superintending the general working of The Exchange. He is Chairman of Central Securities Clearing System Plc (CSCS), the clearing, settlement and depository for the Nigerian capital market; Chairman of NG Clearing, which is in the process of developing a central counterparty clearing house (CCP); and Chairman of the subsidiaries of The Exchange.



### **Mr. Abubakar Balarabe Mahmoud, SAN, OON, FCI Arb (UK)**

First Vice President

Mr. Mahmoud is the Managing Partner and one of the founding partners of the law firm of DIKKO & MAHMOUD. He was one time Kano State Attorney General & Commissioner for Justice and was in the public service (from 1979 to 1993) as prosecutor and legal adviser. He held various positions including Director Litigation, Public Prosecution, Solicitor-General at the Ministry of Justice, Kano.

## LEADERSHIP AND GOVERNANCE

# NATIONAL COUNCIL MEMBERS



### **Mrs Catherine Nwakaego Echeozo**

Second Vice President

Mrs. Cathy Echeozo is the director of Cathingens Organisation, a Social Investment and Innovation Non-Governmental Organization. She has over 33 years' experience in the banking industry and retired as the Deputy Chief Executive Officer of GTBank in March 2017. She previously served on the Boards of GTBank, and Nigerian Interbank Settlement System Plc.



### **Erelu Angela Adebayo**

Ordinary Member

Erelu Angela Adebayo was previously the first lady of Ekiti State and Chairman, Ekiti State Action Committee on Aids. She received the Lagos State Award Eko 2012 and ThisDay Award for Service to Nigerian Children 2012. She serves on the Dangote Foundation, Afriland Properties Plc., Meyer Paints Plc., Greenwich Trust Ltd., and Women at Risk Foundation. She previously served on the Board of WEMABOD.



### **Mrs Fatimah Bintah Bello-Ismael**

Ordinary Member (Institutional)

Mrs. Fatimah Bintah Bello- Ismael is the Managing Partner of Universal Chambers, a firm of Barristers, Solicitors and Notary Public. She worked at Kehinde Sofola & Co, and Continental Merchant Bank Plc.

She served as a panelist on WIMBIZ's 10th Anniversary Lecturer Series "Women on Board" in March 2012. She was invited by the Republic of Turkey to participate in the W20 (Women 20) Summit- a sub group and initiative of the Term Presidency of Turkey G20 in October 2015. She is the Secretary of the International Cancer Centre Abuja.



### **Oluwole Adeosun**

Dealing Member

Mr. Oluwole Ololade Adeosun Is the Managing Director and CEO of Chartwell Securities Limited. Chartwell Securities Limited is registered by the Securities and Exchange Commission (SEC) as a Broker/Dealer firm and an Issuing House. He was the CEO of Intercontinental Securities Limited from 2000 – 2007.

## LEADERSHIP AND GOVERNANCE

# NATIONAL COUNCIL MEMBERS



### **Kamarudeen Oladosu**

Dealing Member

Mr. Kamarudeen Kareem Oladosu, a chartered accountant and stockbroker, is the Managing Director of Equity Capital Solutions Ltd. Equity Capital Solutions Limited (ECSL) provides capital market services such as Securities Dealing, Issuing House functions, investment & financial advisory services and other ancillary services. He was former Head of Securities Dealing Services of the defunct Intercontinental Bank Plc.



### **Yomi Adeyemi**

Dealing Member

Mr. Yomi Adeyemi is the Managing Director and CEO of Fortress Capital Limited. Fortress Capital Limited (formerly Heritage Investment and Securities Limited) is duly registered by SEC as an Issuing House, Broker/ Dealer firm and was admitted as a dealing member of The Exchange in 1997. Fortress Capital Limited offers securities trading, asset management and investment advisory services.



### **Seyi Osunkeye**

Dealing Member

Mr. Seyi Osunkeye is the Managing Director of Pilot Securities Limited. Pilot Securities Limited is a Dealing Member of The Exchange and is licenced by SEC as a Broker /Dealer firm. He was a former Treasurer of the Association of Stockbroking Houses of Nigeria. He currently serves on the Boards of Alpgam Energy Plc, Greenfield Integrated Energy Services Ltd, Letshego Microfinance Ltd, and Star Gaming Ltd.



### **Chidi Agbapu**

Dealing Member

Mr. Chidi Agbapu is the Managing Director of Planet Capital Ltd. Planet Capital Limited is a boutique firm licensed by The Exchange and SEC to operate as an Issuing House, Stockbrokers and Financial Advisors. He was former Managing Director of Emerging Capital Ltd.

He is the Chairman of the Shareholders Audit Committee of Fidelity Bank Plc. He serves on the Board of General Cotton Mill Onitsha, MTI Plc., and MTI Ltd (Ghana). He is a past director of Central Securities Clearing System (CSCS), Bendel Feeds and Flour Mills Plc.

# NATIONAL COUNCIL MEMBERS



**Patrick Ajayi**  
Dealing Member

Mr Patrick Adebayo Ajayi is the Managing Director/CEO of WCM Capital Limited. He qualified as a Stock Broker in 2004 and worked with Support Services Limited (a stockbroking Firm) prior to joining Woodland Capital Markets Plc. He helped to turn around the fortunes of Woodland Capital Markets PLC when he joined in 2013 as part of the new Management Team. He serves on the Boards of Ned Phillips Capital Limited and WCM3 Investments Limited.



## Executive Management

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**Oscar N. Onyema, OON**  
Chief Executive Officer



**Tinuade Awe**  
Executive Director, Regulation



**Bola Adeeko**  
Divisional Head, Shared Services



**Jude Chiemeka**  
Divisional Head, Trading Business



**Olumide Bolumole**  
Divisional Head, Listing Business



# SUSTAINABILITY, GOVERNANCE AND LEADERSHIP

The NSE is committed to aligning with the Nigerian Code of Corporate Governance issued during the reporting year by the Financial Reporting Council of Nigeria (FRCN), sequel to the suspension of the 2016 National Code of Corporate Governance.

# SUSTAINABILITY, GOVERNANCE AND LEADERSHIP

This section provides disclosure on governance practices that are particularly relevant to sustainability issues at the NSE.

The National Council of the Nigerian Stock Exchange is the highest body of leadership at the NSE and is responsible for providing oversight of The Exchange's business and financial affairs, strategy, structures and policies; monitoring the exercise of any delegated authority; and dealing with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics. CSR related issues are overseen by the Governance and Remuneration Committee (GARC).



The day-to-day management of The Exchange is vested in the hands of the Chief Executive Officer (CEO), who is assisted by the Executive Committee appointed by the Council. The Executive Committee drives CSR at the NSE as it addresses relevant economic, environmental and social issues during sessions. The Divisional Head of Listing Business has the responsibility for driving sustainable finance at the NSE while the Divisional Head of Shared Services has the responsibility for implementing the NSE's overarching sustainability strategy. Both divisional heads are members of the Executive Committee.

The Council has unrestricted access to the staff of The Exchange as necessary for the effective discharge of its

obligations. Environmental, social and economic topics are reviewed on a quarterly basis to identify and analyse opportunities for the NSE to increase its impact.

Currently, the structure of the NSE's highest governance body comprises thirteen members: a Council President, Chief Executive Officer (CEO), an Ex-Officio, four Ordinary Members and six dealing members. There were no significant changes to this structure during the reporting period. However, when the demutualisation process is completed, the leadership and governance structures of the NSE are expected to change. These changes will be reported in future sustainability reports.

## Council Committees

The Council established four (4) Council Committees and one (1) Adhoc Committee to facilitate the effective discharge of its oversight responsibilities and efficient decision-making. The Council Committees are set forth below:

<b>Audit &amp; Risk Management Committee</b>	The Committee is charged with duties relating to financial reporting, internal controls and risk management systems, whistleblowing and fraud, and internal and external audit. The Committee also has oversight responsibilities of The Exchange's litigation portfolio.
<b>Regulation Committee</b>	The Committee is charged with ensuring that the Exchange discharges its functions as a self-regulatory organisation effectively. It provides oversight over The Exchange's quotations and its disciplinary, investigative, rules and adjudicatory functions.
<b>Technical &amp; Business Committee</b>	The Committee is charged with the supervision of the technology, business, innovation and Branch Councils' functions of The Exchange.
<b>Governance &amp; Remuneration Committee</b>	The Committee is charged with ensuring that The Exchange complies with good corporate governance policies and practices. The Committee also provides oversight functions over The Exchange's human resource policies, remuneration practices, corporate social responsibility and sustainability activities and budgeting.
<b>Demutualisation Advisory Committee (Adhoc Committee)</b>	The Committee is responsible for assisting the Council with coordinating The Exchange's demutualisation process.

## DEMUTUALISING THE NSE

The NSE commenced a demutualisation initiative in 2017 after an Extra-Ordinary General Meeting (EGM) of its members in March 2017. During the reporting year, significant progress was made to demutualise the NSE. The Demutualisation Bill of the NSE was signed into law and assented to by the Presidency on 29 August, 2018. The Demutualisation Advisory Committee has the responsibility of coordinating the Exchange's demutualisation process.

## RESTRUCTURING TO CREATE ENHANCED VALUE: OUR 2018 - 2021 STRATEGIC PLAN

<b>Enhancing our Customer Focus</b>	<ul style="list-style-type: none"> <li>· “Delighting” our customers (i.e., customer needs framework via consumer studies)</li> <li>· Creating customer value proposition and reward systems</li> <li>· Growing retail participation as a key component of a resilient market</li> </ul>
<b>Reorganising for Optimisation</b>	<ul style="list-style-type: none"> <li>· Ensuring the right people are in place to drive our investors’ growth strategy</li> <li>· Optimising the NSE’s organisational structure</li> <li>· Sustaining a high-performance culture</li> </ul>
<b>Capitalising on ‘Big Bang’ Opportunities</b>	<ul style="list-style-type: none"> <li>· Capitalising on core competencies and emerging technologies</li> <li>· Driving innovation across the organisation</li> <li>· Promoting competitive pricing and relevant incentives throughout the value chain</li> </ul>

During the reporting period, we achieved key successes in implementing our 4-year strategic plan including:

<b>Corporate Restructuring</b>	<ul style="list-style-type: none"> <li>· Restructured for efficiency and innovation and established several new departments</li> <li>· Established 37 new roles and filled 13 of these positions</li> </ul>
<b>Innovation Hub</b>	<ul style="list-style-type: none"> <li>· Launched the Enterprise Innovation Hub to leverage emerging technologies to create smart products and services.</li> </ul>
<b>Demutualisation</b>	<ul style="list-style-type: none"> <li>· Launched the Enterprise Innovation Hub to leverage emerging technologies to create smart products and services.</li> </ul>
<b>Derivatives</b>	<ul style="list-style-type: none"> <li>· Completed required technological enhancements for the launch of the derivatives products</li> <li>· Created rulebook which is currently undergoing approval process alongside onboarding of dealing members</li> </ul>

### Code of Conduct

Our Code of Conduct clearly spells out acceptable and non-acceptable behaviour in the Exchange. There are well defined reporting lines for reporting breaches including a whistle blowing policy to facilitate the reporting of concerns regarding ethical behaviour and organisational integrity. The code of conduct also provides insight on the Exchange's position on bribery and corruption as well as anti-competitive behaviour.

### Managing Risks and Opportunities

The National Council believes effective risk management practices are fundamental to the achievement of The Exchange's vision and mission. As a testament to this belief, it approved a robust Risk Management Framework to guide the Exchange's approach for identifying, analysing, responding to, and monitoring risks and opportunities, within its internal and external environment. The Audit and Risk Management Committee of the National Council provides support to the Council in the discharge of its risk management oversight responsibilities, by monitoring the implementation, effectiveness and efficiency of the risk management processes. The committee reviews the risk profile of The Exchange every quarter to understand and assess the adequacy of decisions made by the management on the key risks faced by The Exchange and arising from new products, services or strategic initiatives.

### Beyond Compliance

The management of the NSE ensures that corporate governance standards are clearly understood and adhered to by employees and business partners. For them, compliance with all national and international regulation is a key priority.

The NSE is committed to aligning with the Nigerian Code of Corporate Governance issued during the reporting year by the Financial Reporting Council of Nigeria (FRCN), sequel to the suspension of the 2016 National Code of Corporate Governance.

The National Council has a formal and rigorous process for evaluating its performance, that of its committees, the Council President and individual Council members. This process is codified in the Council's Evaluation Policy. The Evaluation, conducted on an annual basis, is usually conducted by an independent firm. A combination of both qualitative and quantitative methodology are adopted in the assessment including desk reviews, deployment of questionnaires and one-on-one interviews with council members. The Evaluation Report is usually reviewed by both the GARC and the National Council and recommended changes/areas for improvement highlighted for necessary action.



Oscar N. Onyema OON, CEO, NSE; Babatunde Raji Fashola, SAN, erstwhile Honorable Minister of Roads, Works and Housing, Eme Essien Lore, Country Manager, International Finance Corporation; Mr. Mani Gokul, Head, Primary Markets, Middle East, Africa, India, London Stock Exchange Group on a panel at the 2018 NSE/LSE Dual Listing Conference.



# STAKEHOLDER ENGAGEMENT

In order to develop relationships with stakeholders based on mutual trust and respect, various communication mechanisms have been established including help lines, websites, e-bulletins, reports and meetings.

# STAKEHOLDER ENGAGEMENT: BUILDING SUSTAINABLE RELATIONSHIPS

We recognise that our long-term business success is dependent on building enduring relationships with our stakeholders.

The Exchange's approach to sustainable business practices stems from consistent and extensive engagement with its stakeholders. By regularly engaging and gathering feedback, we work to address issues of concern with the aim of improving our business activities and operations. We define our stakeholders according to the Accountability AA1001 Stakeholder Engagement Standard (SES) 2015.

We strive to build enduring relationships based on the principles of equality, transparency, accountability and responsibility. We attach importance to effective and continuous dialogue with stakeholders and we continue efforts to develop channels for communication with stakeholders.

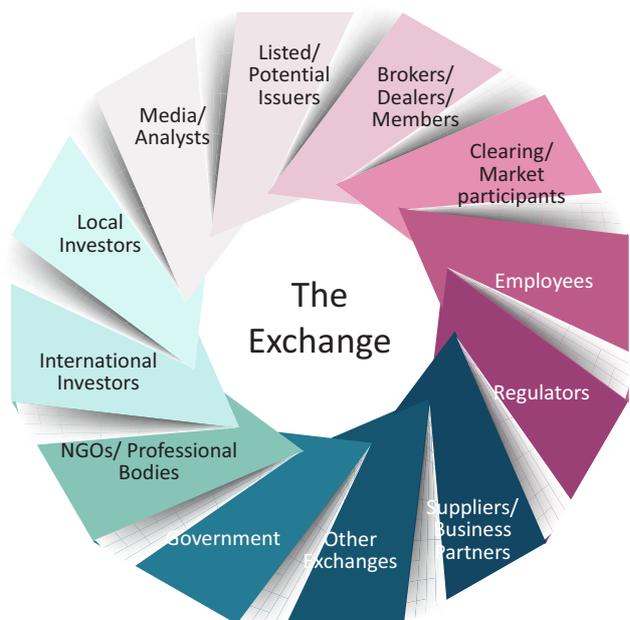
## OUR STAKEHOLDER ENGAGEMENT APPROACH

Our stakeholders consist of employees, member companies, investors, regulatory bodies, the media and Non-Government Organisations (NGOs), amongst others. In order to develop relationships with stakeholders based on mutual trust and respect, various communication mechanisms have been established including help lines, websites, e-bulletins, reports and meetings. In addition to these, joint initiatives are carried out with stakeholders in different fields, and we come together in collaboration platforms.

We engaged our employees through quarterly town hall meetings; employee engagement surveys through our 'Best Place to Work' platform; regular intranet & e-mail communication; weekly Heads of Department and Executive Committee meetings; brown bag sessions based on various topics; induction programme for new recruits, amongst others. Our investors were engaged through events and platforms such as guided tours of The Exchange, media parleys, our website, and other ad hoc activities.

## OUR STAKEHOLDERS

Stakeholders engaged at The Exchange are represented below:



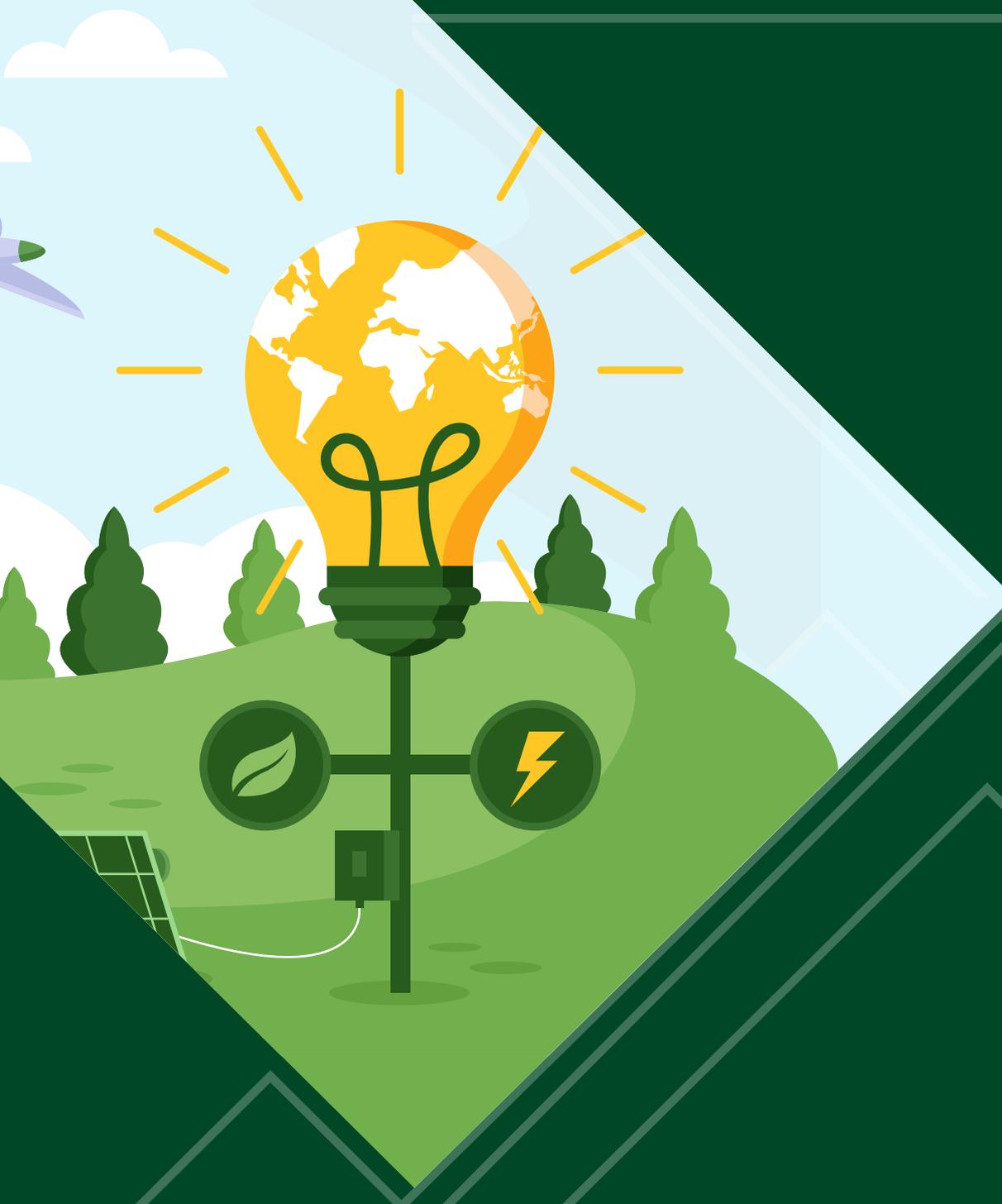
The table below provides an overview of our stakeholder engagement for the reporting year:

### Our Stakeholder Engagement Grid

S/N	Stakeholders	Mode of Engagement	Frequency of Engagement	Examples
1	Listed/Potential Issuers	Annual stakeholder engagement sessions; factory visits; consultations; printed materials; enquiries; face-to-face meetings; training.	Annual and ad hoc	We hosted 112 personnel within these functions from 74 listed companies at our 2018 Issuers Engagement Forum themed "Achieving Compliance Through Substantial Engagement". This session helped us receive feedback on a feasible timeline for when companies can issue their sustainability reports required by the NSE sustainability disclosure guidelines.
2	Brokers/Dealers/ Members	Bi-monthly CEO breakfast meetings; quarterly compliance officers forum; quarterly investigation panel meetings; regular training.	Bi-monthly and quarterly	We started the reporting year with plans to implement a pricing methodology and par value change initiatives. To ensure these initiatives were successful, we trained over 500 stakeholders including stockbrokers and investors on the benefits of the new methodology. These sessions were critical to reducing potential conflict between the NSE and related stakeholders.
3	Employees	Quarterly Town hall meetings; employee engagement survey through 'Best Place to Work' platform; regular intranet & e-mail communication; weekly Heads of Department and Executive Committee meetings; brown bag sessions based on various topics; induction programme for new recruits and regular in-house seminars for all employees.	Quarterly and ad hoc (daily, weekly)	Our quarterly town hall meetings are one of the most important platforms we deploy to engender inclusive conversations between management and employees.  Suggestions boxes have also been provided on all our floors for employee engagement with Executive Management.
4	Regulators	Ad hoc liaison & working meetings; regular reports & review of The Exchange's performance in its regulation of listing matters; informal meetings on specific cases and regular meetings on policy matters; attend to requests for documents on ad hoc basis.	Ad hoc	In line with our commitment to foster the growth of ESG performance and reporting among listed companies, we engaged the SEC for approval to launch a set of guidelines on sustainability reporting for listed companies.  The guidelines have been approved.
5	Clearing participants/Market participants	Regular briefings, seminars, meetings and discussions; information package issued from time to time; regular participant circulars; ad hoc surveys; market consultation on new proposals.	Regular and ad hoc	Launched X-Bot to enhance market participation by applying artificial intelligence to provide data and information from the Exchange to market participants, especially retail investors, in a more convenient, faster and in real-time access.
6	Suppliers/Business partners	Site inspection as scheduled; meetings on a need basis.	Ad hoc	NSE maintains close relationships with leading business partners and suppliers, particularly data vendors and distributors, who disseminate a wide range of NSE market data via The Exchange's Market Data Feed service.
7	NGOs/ Professional bodies	Consultations on new proposals; regular meetings and correspondence; ad hoc written requests; co-organisation of seminars and events.	Regular	NSE signed an MOU with RecyclePoints Ltd to boost our commitment to ensuring a sustainable environment. This partnership facilitates waste collection as part of our internal recycling drive.



8	Government	Verbal and written communications with The Presidency; Ministry of Finance; Ministry of Environment; Central Bank and other Ministries; meeting with President of the Federal Republic of Nigeria, Speaker of the Federal House of Representatives; responding to legislative enquiries from the National Assembly, meetings upon request.	Ad hoc	Our role at the centre of the capital market has a strong public interest which aligns with an array of government organisations that we work with. For example, we work closely with the Economic and Financial Crimes Commission (EFCC) to achieve investor protection which is also paramount to Securities and Exchange Commission (SEC).  Similarly, we pay courtesy visits to the Executive and Legislative arms of the Federal Government on key economic issues.
9	Other Exchanges	Regular meetings on specific projects; delegations for courtesy and training purposes; frequent verbal and written communications; annual board meeting of World Federation of Exchanges and Sustainable Stock Exchanges Initiative, African Stock Exchanges Association (ASEA) Exco, West African Capital Markets Integration Council (WACMIC).	Regular	NSE hosted the 2018 ASEA conference themed “Champions on the rise: Africa's ascension to a more sustainable future”. We are also members of the World Federation of Exchanges (WFE) and Sustainable Stock Exchanges Initiative (SSEI).
10	Int'l investors	Guided tour of The Exchange Trading Floor on prior arrangement; regular media interviews and events, including the quarterly media parley and media/analyst briefings on The Exchange's financial year outlook; news releases whenever there is any information update; daily phone and written enquiries; The Exchange website, news alerts and social media channels; circulation of daily, weekly and monthly statistics.	Regular	In partnership with the London Stock Exchange Group (LSEG), NSE hosted the 5th edition of the NSE-LSE Dual Listing Conference in Lagos. Themed "Attracting Global Capital to Drive Nigeria's Economic Reforms and Sustainable Growth Development", the workshop brought together companies keen to explore a London/Lagos dual listing, corporate finance experts, lawyers, capital market operators, regulators, government officials, media and thought leaders to discuss investment opportunities in Nigeria.
11	Local investors	Seminars, access to market data, press releases.	Regular	We continued hosting our Facts Behind the Figures and Facts behind the listings events which promotes transparency by creating a platform for investors and other market participants to engage listed companies in discourse on their financial performance .
12	Media/Analysts	Press conferences, press releases, access to the NSE library equipped with computers and high-speed internet, allowing media practitioners to conduct their research and file their reports from the Exchange.	Regular	We commissioned a media lounge at our headquarters to serve as a meeting and bonding facility for journalists that cover the activities of The Exchange. Regular information about The Exchange is shared via press releases to the media.



# MATERIALITY ASSESSMENT

In defining materiality in this report, we put into consideration our social, environmental and economic impacts and how they significantly affect our current and future ability to create sustainable value.

## MATERIALITY REVIEW

Our materiality review is conducted to help us identify the environmental, social and governance issues that affect or have the potential to have a significant impact on our operations. In defining materiality, we deploy the following frameworks to identify and report material issues:

1. Our priorities as a leading securities exchange in Africa
2. The Global Reporting Initiative (GRI) Standards content index
3. The 10 principles of the United Nations Global Compact (UNGC),
4. Our commitment to the Sustainable Stock Exchange Initiative (SSEI) and,
5. The Sustainable Development Goals (SDGs)

We consult extensively across our stakeholder universe to identify the issues that are most important to our business, our stakeholders and society.

## OUR APPROACH TO MATERIALITY

We have adopted a materiality process which involves the following steps:



## OUR MATERIAL ISSUES

In defining materiality in this report, we put into consideration our social, environmental and economic impacts and how they significantly affect our current and future ability to create sustainable value.

Our continued success in facilitating sustainable development is influenced by a number of frequently changing material factors. Each material factor brings unique risks and opportunities to the organisation. Material factors that impacted our business operations during the reporting period and will potentially continue to have a potential to impact our operations in the near future include:

The Nigerian economy continued its path of recovery, growing by 1.81% year-on-year in real terms as at the third quarter of 2018. Riding on the winds of the economic recovery, year-on-year growth in capital importation to Nigeria reached 114.33% as at September 2018, from the corresponding period of the previous year. The NSE All Share Index emerged the best in Africa in 2017. Building on this

trend, the NSE equity market started 2018 on a high, with the All Share Index (ASI) reaching a ten-year peak of 45,092.83 in January.

However, the uncertainties associated with the 2019 general elections created investor sentiment that resulted in a steady drop in foreign portfolio investment (FPI) during the year.

### Regional Macroeconomic Trends

In an environment of slowing global growth, the fast-growing population and markets across Africa present important opportunities for businesses. As Africa's industrial revolution ramps up, experts estimate that African industries have the opportunity to double production within a decade. Recent advances to improve regional integration such as the African Continental Free Trade Agreement (AfCFTA) will boost inter-continental trade. Capital markets are expected to propel this momentum.

In addition, United Nations (UN) estimates a financing gap of \$2.5 trillion per year exists for developing countries to achieve the Sustainable Development Goals (SDGs). Capital markets will play a crucial role to channel private sector investments for Africa's development.

### Talent

Within the financial services sector, we operate in a specialised industry of ever evolving security exchanges. Across many functions within the Exchange, the talent required are not readily transferrable from other sectors of the financial sector. In addition, the global nature of the financial industry requires our talent to align to international standards while ensuring fit for the local and regional context.

Our continued success is dependent on our ability to attract, retain and empower a highly qualified and motivated

workforce.

### Technology

Technology is one of the most significant enablers of the capital market. Globally, activities on stock exchanges are increasingly driven by high speed transactions across geographies. We rely on technology to drive all aspects of our business activities and operations. Today's technology industry is characterised by advances that are changing at an accelerating pace and the NSE strives to stay ahead of the innovation curve by implementing cutting edge technology.

For example, during the reporting year, the NSE deployed Artificial Intelligence (AI) to provide faster and real-time access to data and information from the Exchange.

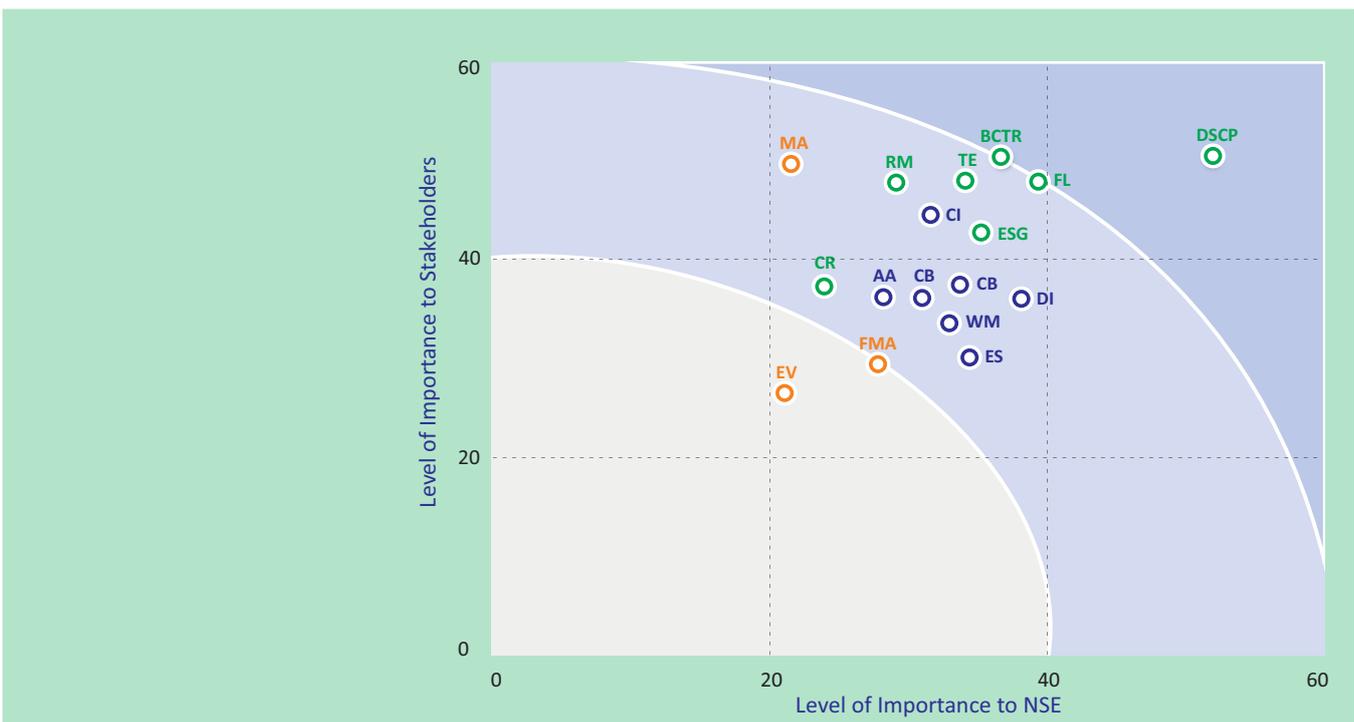
### Growth of Sustainable Finance

Globally, sustainable investments now account for about one-quarter of all professionally managed investments globally. Closer to home, advances in sustainable finance saw the launch of the first fully certified sovereign green bond in Nigeria and the world's first blue bond in Seychelles.

Through our membership of the Sustainable Stock Exchanges Initiative (SSEI), the NSE is committed to fostering the development of long term sustainable finance. In addition, The Exchange is a signatory to the Marrakech Pledge, a continental coalition of African Capital Markets Regulators and Exchanges committed to act collectively in favor of fostering Green Capital Markets in Africa.

## Our Material Issues

High Impact Areas
Promoting environmental, social and governance issues (ESG)
Data security and customer privacy (DSCP)
Managing business continuity and technology risks (BCTR)
Improving customer relations (CR)
Promoting financial literacy and inclusion (FL)
Promoting transparency and efficiency in the capital market (TE)
Systemic risk management (RM)
Medium Impact Areas
Access and affordability (AA)
Competitive behaviour (CB)
Compensation and benefits (CB)
Managing conflict of interest (CI)
Energy saving (ES)
Waste management (WM)
Diversity and inclusion (DI)
Low Impact Areas
Employee volunteering (EV)
Community relations (ER)
Fair marketing and advertising (FMA)





# SUSTAINABILITY AT THE NSE

Building on our sustainability journey to date, 2018 saw us take further steps to strengthen our approach to sustainability by implementing several activities and initiatives under our strategic pillars of Marketplace, Workplace, Community and the Environment.

## SUSTAINABILITY AT THE EXCHANGE

Sustainability is an integral part of our corporate strategy at The Exchange. We strive to integrate sustainability into our business models and decision-making mechanisms, putting into consideration our goal to be the sustainable exchange championing Africa's growth.

Building on our sustainability journey to date, 2018 saw us take further steps to strengthen our approach to sustainability by implementing several activities and initiatives under our strategic pillars of Marketplace, Workplace, Community and the Environment.

### PROGRESS ON OUR COMMITMENTS

Several milestones were achieved in the reporting year 2018 across all our strategic objectives with corresponding measurable impact on all stakeholder groups. The table below indicates progress we have made on our commitments across our CSR pillars along with our aspirations for the near future.

Focus area	Commitment	What we set to do in 2018	What we achieved in 2018	What we plan to do in 2019
Community	Enrich the communities where we live and work	Impact over 7500 students from over 29 secondary schools across the country with knowledge of financial literacy	Impacted 231,048 beneficiaries (42,480 students) through 424 financial literacy programmes	Impact 300,000 beneficiaries through financial literacy programmes across the country
		Provide educational intervention for internally displaced children and youths in Borno State, North East Nigeria	Continued N10 million commitment for the running of Maisandari Alamderi Model Nursery and Primary School donated by the NSE	Continue N10 million commitment for the running of Maisandari Alamderi Model Nursery and Primary School purposely built for Internally Displayed Persons in Maiduguri
		Increase participation in the annual essay competition to 20,000	20,061 essay entries received	Increase number of essay entries to 30,000
		Commence training at X-Academy to boost capital market literacy	16 programs for 968 participants. 26 participants in The Exchange Graduate Trainee Programme; the largest class since inception	1,650 participants through 49 programs
		Raise up to N50 million in donations from annual Corporate Challenge for intervention in cancer related causes	N28.5 million raised through donations	Increase donations for cancer-related causes to N30 million
		Ensure up to 200 women participate in the International Women's Day celebrations	Over 200 women attended the half-day symposium	Ensure at least 200 women participate in the 2019 International Women's Day celebrations
Workplace	Create an enabling environment with sound organisational culture that promotes diversity and inclusion as well as the well-being and development of employees	Support health and education of vulnerable children through impactful initiatives	Employees donated cash, gift items (clothing, food items, toiletries, school supplies, household items, toys, etc) to SOS Children Village, Bethesda Home of the Blind and Children of Promise Orphanage	Continue to support health and education of vulnerable children through impactful initiatives

Marketplace	Promote market-based approach to ESG imperatives amongst all stakeholders	Conduct another CGRS exercise for companies and directors	<p>Conducted CGRS exercise, hosted the 5th edition of NSE-LSE Dual Listing Conference; ASEA's flagship event; Capital Market Information Security Forum; NSE Market Data Workshop and the Maiden NSEETP Conference</p> <p>Secured SEC's approval for Sustainability Disclosure Guidelines for all listed companies</p>	<p>Continue to champion credible capital market engagements and knowledge sharing through workshops, seminars and conferences</p> <p>Commence Sustainability Reporting for issuers and listed companies</p>
Environment	Adopt approaches to minimise negative environmental impact on the environment	<p>Convert the NSE head office energy source from diesel to LPG</p> <p>Host a community awareness program to reduce plastic pollution</p>	<p>Proposal was approved, execution delayed by legal issues with LPG and their rights for energy distribution. Held employee volunteering programme on 2018 World Environment Day themed 'Beat Plastic Pollution'. Also held a clean-up programme aimed at clearing plastic waste from our immediate environment and creating awareness on the menace of plastic pollution</p> <p>Signed a Memorandum of Understanding (MoU) with Recycle Points Ltd in support of the Cleaner Lagos Initiative</p>	<p>Conclude the conversion from fossil fuels to liquefied petroleum gas once the distribution legal frame work is concluded</p> <p>Continue to engage in and design employee initiatives to protect and nurture the environment</p>



**Students listen with rapt attention to lessons on financial literacy, during a session at the 2018 Global Money Week which held at The Exchange**

We remain committed to leveraging our scale to make progress towards the United Nations Sustainable Development Goals (SDGs). The financial sector has a significant role to play in financing the SDGs. This is why the NSE is committed to galvanising action by providing investors and businesses with a reliable platform to access the long-term finance required to ultimately achieve economic, social and environmental benefits.

Through our programmes and initiatives this year, we have been able to impact over 309,700 people so far along our strategic pillars and commitments. All the programmes implemented by The Exchange are also mapped to the global SDGs to indicate how we are contributing our quota to a sustainable world.



## THE SUSTAINABLE STOCK EXCHANGES INITIATIVE



The Sustainable Stock Exchanges Initiative is a UN Partnership Programme of the UN Conference on Trade and Development (UNCTAD), the UN Global Compact, the UN Environment Program Finance Initiative (UNEP FI), and the Principles for Responsible Investment (PRI). The SSE convenes Partner Exchanges from around the world who join the SSE by signing a voluntary public commitment. The Nigerian Stock Exchange is a proud signatory to this commitment. Like many United Nations initiatives, the SSE and its partners focus activities towards advancing the Sustainable Development Goals (SDGs) as agreed upon by the General Assembly within the 2030 Agenda for Sustainable Development.

## UNITED NATIONS GLOBAL COMPACT NIGERIA BOARD



The Exchange has been appointed to the Steering Committee of the United Nations Global Compact Local Network Nigeria. In this role, the NSE will be part of the strategic team that will be shaping the implementation of the Sustainable Development Goals in Nigeria.



Participants at the 2018 NSE Corporate Challenge get ready to commence The Exchange’s annual race to raise awareness and funds to fight the scourge of cancer in Nigeria.



# MARKETPLACE

The Market Services Department serves all stakeholders in the capital market industry, whether local or international. The geographic locations covered include Nigeria, Africa, Asia, Europe and America.

## MARKETPLACE

The Exchange serves as a dynamic yet complex institution possessing inherent mechanisms and structures through which long term financial resources are mobilised, harnessed and efficiently made available to drive economic development.

As at 2018, The Exchange has over 160 listed companies with a total market capitalisation of over N13 trillion. The listed companies fall under the categories listed below:

- Agriculture
- Conglomerates
- Construction/Real Estate
- Consumer Goods
- Financial Services
- Health Care
- ICT
- Industrial Goods
- Natural Resources
- Oil & Gas
- Services

### MARKETPLACE HIGHLIGHTS

#### Leveraging Technology for Innovation

- Launched X-Bot, X-Pay
- Launched Enterprise Innovation Hub

#### Promoting ethical and sustainable finance

- Listed first Sovereign green bond from an emerging economy
- Listed first ijara sukuk infrastructure bond

#### Advances on the NSE Premium Board

- Migrated 4 additional companies to the Premium Board

### EQUITIES MARKET

The Market Services Department serves all stakeholders in the capital market industry, whether local or international. The geographic locations covered include Nigeria, Africa, Asia, Europe and America. The Department serves mainly all stakeholders in the capital market such as market data vendors, brokers, pension fund managers, regulators, media, website and mobile aggregators, researchers and students and recently, fintech startups. Through The Exchange's Business Continuity Steering Committee which has representation from diverse departments and units, adequate attention is paid to all transactions on the floor of The Exchange.

The Nigerian Stock Exchange, as a preferred listing destination in

Africa, features large to small-sized companies from different economic sectors, that meet and adhere to its globally compliant high listing standards.

The Exchange's equities market features three boards:

Equities Category	Number Listed	Market Capitalisation (NGN) as of Sep30, 2018	Market Capitalisation (USD)* as of Sep 30, 2018
Premium Board	7	5,574,105,028,914.65	5,574,105,028,914.65
Main Board	153	6,388,151,694,831.03	6,388,151,694,831.03
AseM	9	7,643,198,772.12	7,643,198,772.12

Listed Securities (Q3 2018)

#### Premium Board

The NSE recorded significant progress across the Premium Board with the migration of 4 additional companies after they passed the corporate governance and market capitalisation requirements. This growth heralds the birth of a new dimension in the NSE's efforts to promote high levels of corporate governance and sustainability amongst listed companies.

The Premium Board is the NSE's listing segment for the elite group of issuers that meet the Exchange's most stringent corporate governance, and the highest standards of capitalisation and liquidity. Launched in 2015 along with the NSE Premium Board Index, the Premium Board showcases companies that are leaders in their respective sectors. A total of 7 of Nigeria's leading companies are now listed on the NSE Premium Board.

The NSE Premium Board Index has continued to outperform the NSE-All share index, reaching a 3-year return of over 48%. These successes emphasize the key role of promoting high levels of corporate governance in delivering superior business and financial performance.

#### Main Board

Building on the recovery of the Nigerian economy from recession and the success attained after emerging the third best performing exchange in the world, The Exchange continued to the potential of listing on the NSE.

The 5th edition of the NSE-LSE Dual Listing Conference themed 'Attracting Global Capital to Drive Nigeria's Economic Reforms and Sustainable Growth Development' hosted corporate finance experts, lawyers, capital market operators, regulators, government officials, media and thought leaders to discuss investment opportunities in Nigeria. The conference, a platform for engaging companies keen to explore a

London/Lagos dual listing, is a partnership between the NSE and the London Stock Exchange Group (LSEG).

### Alternatives Market

To encourage and improve retail participation in the capital market, The Exchange conducts awareness and advocacy programmes. The NSE also has the (Alternative Securities Market (ASeM) Board, which allows SMEs to participate in the capital markets.

### DATA SECURITY

Data security is a critical aspect of our ongoing initiative to drive technology and innovation across The Exchange. Since the launch of the NSE's world class data centre in 2017, we have significantly deepened our ability to offer state of the art and secure cloud services to a wide array of customers.

Ensuring data security is maintained at all times, The Exchange facilitates the discourse across the financial system on best practice data management and security. Since 2014, the NSE has provided a platform for stakeholders and thought leaders in the information security space to share knowledge on Information Security best practices by hosting the annual Nigerian Capital Market Information Security Forum.

This platform helps raise awareness data security and how key financial sector operators can implement initiatives to improve customer/investor protection from cyber threats.

### Performance by Sector and Capitalisation

By Sector	Q3 2018 (Sept.)	52 Week Change (Oct. 2017 – Sept. 2018)
Agriculture	N132.66 bn \$364.68 mn	7.48%
Conglomerates	N88.08bn \$242.13mn	-2.48%
Construction/Real Estate	N74.73bn \$205.42 mn	-13.78%
Consumer Goods	N3.00tn \$8.24bn	-7.32%
Financial Services	N3.97 tn\$10.92bn	0.89%
Health Care	N33.90 bn \$93.20mn	-15.94%
ICT	N27.56 bn \$75.76mn	-19.56%
Industrial Goods	N3.89tn \$10.69 bn	-2.31%
Natural Resources	N4.46 bn \$12.27 mn	-24.85%
Oil & Gas	N619.10 bn\$1.70 bn	8.63%
Services	N131.00 bn \$360.11 mn	4.69%

By Capitalisation+++	Q3 2018 (Sept 2018)	52-Week Change (Sep 2017 - Sep 2018)
Large Cap (>\$1 billion)	N7.92tn \$21.78bn	-3.54%
Mid Cap (\$150 million -\$1billion)	N2.90tn \$7.96bn	-5.91%
Small Cap (< \$150 million)	N1.15bn \$3.17bn	22.83%

### FIXED INCOME

Category	Number Listed	Market Capitalisation (NGN) as of Sep30, 2018	Market Capitalisation (USD)* as of Sep 30, 2018
FGN Bonds	61	9,479,519,184,589.89	9,479,519,184,589.89
Corporate Bonds	22	274,453,110,000.00	274,453,110,000.00
State and Municipal Bonds	23	606,269,507,190.00	606,269,507,190.00
Supranational Bonds	2	12,950,000,000.00	12,950,000,000.00
Total	288	22,349,068,179,544.91	61,435,670,403.94

Listed Securities (Q3 2018)

The NSE hosts and lists different fixed income instruments on its platform which include:

- Federal Government Bonds
- State/Local Government Bonds
- Supranational Bonds
- Corporate Bonds
- Euro Bonds

### Diversifying Fixed Instruments Across The Exchange

The debut of the first sovereign green bond and the ijara sukuk deepened financial inclusion across the capital market by providing instruments across asset classes that appeal to ethical and sustainability concerned investors.

### First Certified Sovereign Green Bond Issuance

The Federal Government Sovereign Green Bond was listed on the Exchange during the reporting year. The listing of this Sovereign Green Bond, which is the country's first ever certified green bond and the first in an emerging market, is a culmination of the NSE's efforts to promote sustainable finance as a viable solution to achieve the sustainable development agenda in Nigeria.

The NSE played a critical role in conceptualising the bond and galvanising stakeholders to ensure the bond was listed. To promote the bond and highlight the opportunities for sustainable finance in Nigeria, the NSE held a pre-listing

conference for market participants, themed, 'Exploring the Green Financing Opportunity: Green Bonds and Enabling Frameworks' on the same day of the listing. In 2016, the NSE collaborated with the Federal Ministry of Environment, Federal Ministry of Finance and Debt Management Office to host a high profile conference themed "Green Bonds: Investing in Nigeria's Sustainable Development" which was a major step towards the conceptualisation of the sovereign green bond.



Oscar N. Onyema, OON, CEO, The Nigerian Stock Exchange, responds to questions from the audience during the Official Listing Ceremony of the FGN Green Bond

### Green Bonds Listing and Pre-Listing Conference

The first Sovereign Green Bond (N10.69billion, 5-year, Federal Government Sovereign Green Bond at coupon rate of 13.48%) in an emerging market, was listed on The Nigerian Stock Exchange by Debt Management Office (DMO) on Friday, 20 July, 2018.

The event had in attendance about 200 market operators, government officials, c-level executives, as well as top officials from the academic and sustainability sector. The event was headlined by Ms. Pat Oniha, DG, DMO, Hon. Ibrahim Usman Jibril, the Honourable Minister of State for Environment, and Ms. Amina J. Mohammed, United Nations Deputy Secretary General, represented by Mr. Edward Kallon, United Nations Resident/Humanitarian Coordinator, and Chapel Hill Denham, who was the financial adviser to the transaction.

The green bond issuance and listing follows Nigeria's endorsement of the Paris Agreement on Climate Change on 21 September, 2016. The Paris Agreement aims to strengthen the global response to the threat of climate change.

### First Ijara Sukuk Issuance

The capital market also witnessed the listing of the first Federal Government Ijarah Sukuk valued at N100bn with a tenure of 7 years. Sukuk are bonds structured to generate returns according to Islamic non-interest finance principles. This issuance, which will be used to support the

Federal Government's efforts to improve the road network across the 6 geopolitical zones of the country, emphasizes the role of the NSE in galvanising resources to achieve sustainable development in Africa's largest economy.

### EXCHANGE TRADED FUNDS

Exchange Traded Funds are another product that is listed on The Nigerian Stock Exchange. The ETF is a kind of security that tracks performance of investment of underlying assets such as bonds and indices. The trading of the ETF is similar to that of stocks. ETFs derive their performance from the index or underlying assets they track. With the ETF, investors are availed the opportunity to diversify their investments and gain exposure to various investment strategies and asset classes, including:

- Local Fixed Income
- Local Equities
- International Markets
- Commodities

Category	Number Listed	Market Capitalisation (NGN) as of Sep30, 2018	Market Capitalisation (USD)* as of Sep 30, 2018
Exchange-Traded Funds	9	5,976,455,247.22	5,976,455,247.22

### Exchange Traded Products (ETPs) Conference

The Nigerian Stock Exchange hosted the 2018 Exchange Traded Products (ETPs) Conference, tagged, 'Exchange Traded Products: Evolving Investment Themes, Accessing New Markets and Enhancing Portfolio Alpha', on Wednesday, 5 December, 2018, at the Oriental Hotel, Lagos.

It was noted that the ETPs space had grown steadily by a cumulative average growth rate of 8.0 per cent over the last four years. Currently, there are nine ETPs listed on The Exchange, two thematic ETFs providing access to pension-compliant and Shariah-compliant stocks, 2 broad equity market ETFs tracking the NSE 30 Index, 3 sector-based ETFs, 1 commodity ETF, and 1 bond ETF tracking exposure to benchmark FGN Sovereign Bonds. The conference thus served as a form of capacity building for issuers and intermediaries to expand their footprint by broadening distribution channels, introducing other asset classes/strategies, entering new markets, leveraging technology and data analytics to understand the market and demand.



Damilola Ajayi, Executive Director, Vetiva Capital Management; Dayo Obisan, Managing Director, Greenwich Asset Management; Shuaib Audu, Executive Director, Stanbic IBTC Asset Management; Ndako Minjidadi, Head, Investment & Research, Lotus Capital and Suleiman Adedokun, Managing Director, Meristem Wealth Management in a panel discussion on "Practical Solutions to Identified Challenges in the Nigerian ETF Market Segment" at the 2018 NSE ETPs Conference



Merina Visser, ETF Strategist, ETF South Africa presenting a paper titled "Using ETFs to engender and promote financial inclusion in Africa and support infrastructural development: Case Study of Tax Free ETF Savings Plan in South Africa and the CFSE ETF of India" at the 2018 NSE ETPs Conference



Dayo Obisan, Managing Director, Greenwich Asset Management; Shuaib Audu, Executive Director, Stanbic IBTC Asset Management; Damilola Ajayi, Executive Director, Vetiva Capital Management; Oscar N. Onyema, OON, Chief Executive Officer, The Nigerian Stock Exchange; Ndako Minjidadi, Head, Investment & Research, Lotus Capital and Suleiman Adedokun, Managing Director, Meristem Wealth Management at the 2018 NSE ETPs Conference

## LEVERAGING TECHNOLOGY FOR MARKET GROWTH

Deploying innovative market-related solutions through technology is critical to our success in an increasingly interconnected world. X-Pay and X-Bot are technology-based solutions launched during the reporting year to enhance the delivery of services across our marketplace.

We launched the NSE Enterprise Innovation Hub as a platform for incubating and accelerating ideas that meet the needs of our marketplace. Over the years, we have provided over 50 innovative market data products to ensure key market stakeholders can create value across the entire NSE value chain.

### Launch of X-Pay

Further deepening our drive to improve the customer experience at the Exchange, we launched X-Pay, a dedicated payments platform to enable users to conveniently make payments for products, services, events and trainings offered across the Exchange. The X-Pay platform leverages the power of innovation and digital

technology to enable customers access NSE services using their PCs, tablets, smartphones and other mobile devices, thereby reducing the cost of transactions.

### Launch of X-Bot

We are leveraging the power of Artificial Intelligence (AI) to improve access to information about the Exchange to market participants. X-Bot, an AI powered Chatbot that responds directly and automatically to enquiries through Facebook Messenger is designed to provide convenient, faster and real-time access to on-demand market information, news and events on the activities of the Exchange. X-Bot was launched in December.

To attend to all enquiries at The Exchange, The NSE Contact Center is available. NSE also launched X-Bot, an artificial intelligence AI-powered chatbot that responds directly and automatically to enquiries made through Facebook Messenger. The Exchange also has segment/ sector-specific account managers, and it explores several avenues to seek feedback on customers' satisfaction.

### Accolades for Best Use of Technology

Our drive to promote innovation through technology did not go unnoticed. We received the 2018 Nigeria Technology Innovation & Telecom Awards (NTITA) for 'Best Use of Technology for Efficiency Award'. The annual NTITA awards is organised to showcase excellence and celebrate the continued growth of Nigeria's Information, Communication and Technology industry. The NSE is proud to be recognised for our innovative approach in delivering exceptional innovations in technology for the capital market.

### MARKET DATA

To meet up with the diverse requirement of users who want to keep up to date with market activities, The Exchange provides a range of real-time, end-of-day, reference and historical data products. The NSE recognises that the delivery mechanisms and platforms associated with its market data are essential to transparency in the Nigerian capital market and will help in the growth of its ecosystem.

Through a number of authorised vendors, access to the NSE's market data can be obtained both locally and globally. NSE data can also be purchased directly from the Exchange depending on user's preference. Regardless of source, all NSE data must be used and distributed in accordance with the NSE Market Data Agreement. Market data comprises of exchange data, technology services, connectivity and feeds and access market data.

### 3rd Annual Market Data Conference

We partnered with Sterling Bank Plc to host the 3rd Annual

Market Data Workshop in October. The workshop served to deepen our relationship with key market stakeholders and thought leaders on issues surrounding the future capital markets in the wake of the 4th industrial revolution and other disruptive technologies that have the potential to drive growth in the financial services industry.

### ECONOMIC PERFORMANCE FOR 2018

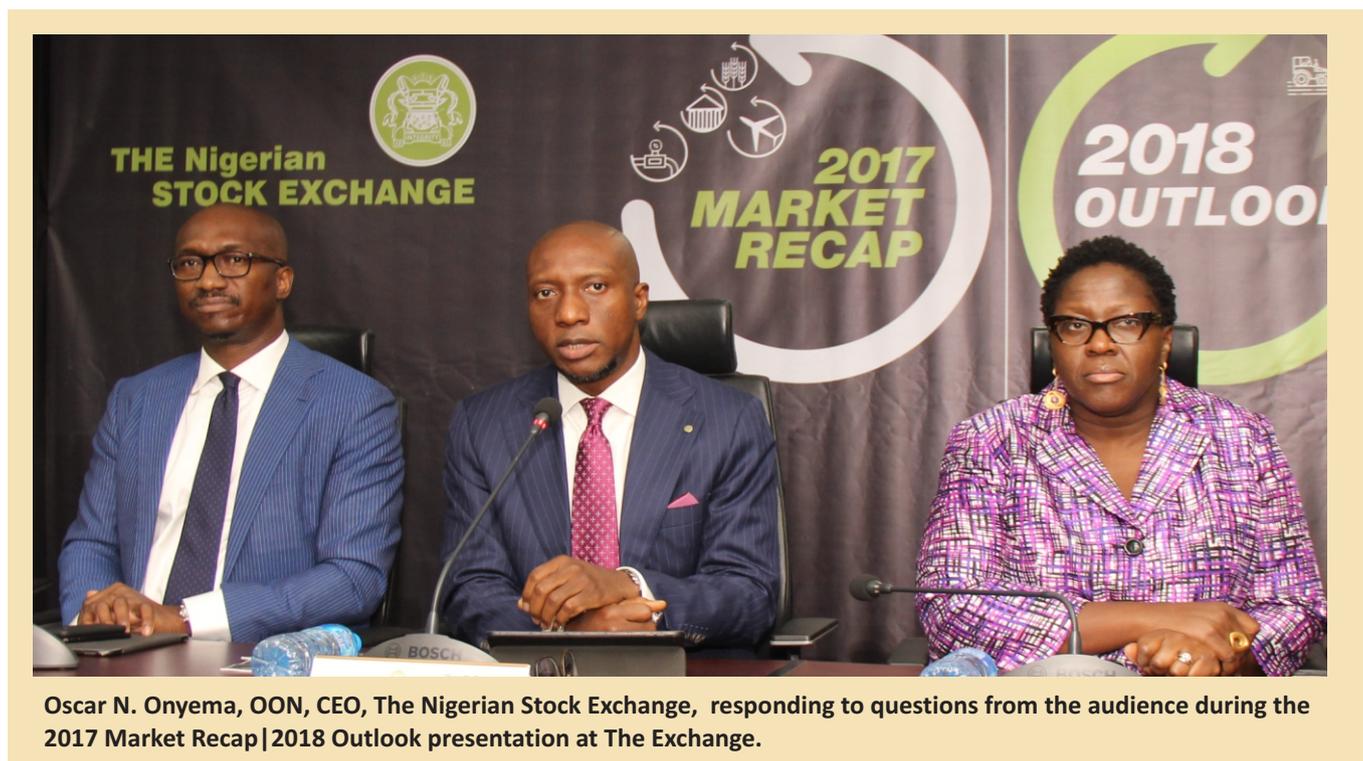
At the commencement of the 2018 Financial/Reporting year, NSE equity market was high, with the All Share Index (ASI) reaching a ten-year peak of 45,092.83 in January. This was largely driven by the positive performance of the ASI in 2017 which emerged the best in Africa. However, towards the second quarter, political risks, oil price volatility and rising global yields resulted in bearish sentiments that saw the ASI and equity market capitalisation fall by 17.81% and 13.87% to close at 31,430.50 and N11.73trillion, respectively. Listing activity remained relatively low during the year, (one listing and four delistings) equity turnover remained relatively stable, marginally declining by 5.45% to N1.20trillion. Turnover velocity inched up 0.91 percentage points to 10.25%, and likewise, the size of volumes traded in the period increased by 0.96% to 101.43billion with the Financial Services sector being responsible for the highest traded in volume and value. In the year under review, foreign portfolio investments outpaced domestic participation by 1.73%, accounting for 50.87% of total transactions, while domestic transactions accounted for 49.13%.

Fixed income market capitalisation increased by 11.75% to N10.17tn from N9.10tn in 2017. The market also witnessed

the listing of a N100bn FGN Ijarah Sukuk designed to finance critical road infrastructure across the country. The table below summarises the financial performance of The Exchange for the reporting year:

#### Financial activities for the year ended 2018:

Details	2018
	<b>N'000</b>
Economic value generated	
<b>Revenue</b>	<b>8,275,849</b>
Economic value distributed	
Operating cost	(2,431,748)
Personnel expenses	(3,065,236)
Payment to government (Tax)	-
	<b>(5,496,984)</b>
<b>RETAINED IN THE BUSINESS</b>	
For depreciation and amortisation	<b>(580,384)</b>
To augment reserves	(2,198,481)
	<b>(8,275,849)</b>



Oscar N. Onyema, OON, CEO, The Nigerian Stock Exchange, responding to questions from the audience during the 2017 Market Recap | 2018 Outlook presentation at The Exchange.



# WORKPLACE

We are dedicated to creating a culture of excellence for all our staff with a deep commitment to human capital development.

We recognise that our employees are the heart, mind and soul of our Exchange.

# WORKPLACE HIGHLIGHTS

## Strategic restructuring

- Launched change management plan and restructured for efficiency
- Created several new departments including Regulation Technology
- Launched NSE Olympics

The Exchange is at the heart of the economy of Africa's largest economy. Ensuring The Exchange is driven by a highly motivated and skilled talent base is critical to delivering world-class services that will further position the NSE as the preferred exchange hub.

To achieve this objective, we initiated a workforce restructuring programme during the reporting year referred to as the HR restructuring project. The HR restructuring project was conducted in line with a change management programme which featured critical activities such as the focus group sessions, change readiness and impact surveys.

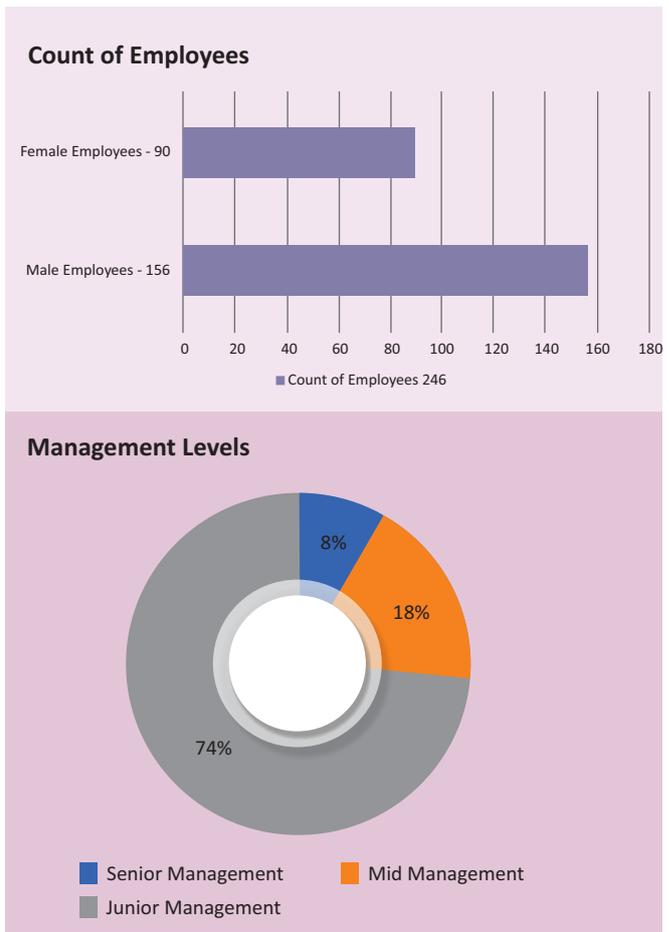
We are dedicated to creating a culture of excellence for all our employees with a deep commitment to human capital development. We recognise that our employees are the heart, mind and soul of our Exchange.

## EMPLOYEE PROFILE

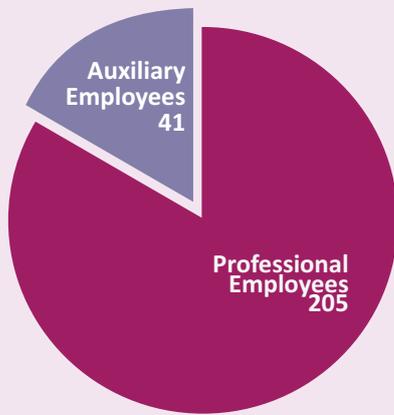
Human capital is critically important to The Exchange — our council members, our management, our stakeholders and our employees. Our track record is one of growth and innovation driven by highly capable and engaged teams.

We believe that an engaged workforce is a critical success factor and we remain committed to building a high-performing culture where people can thrive.

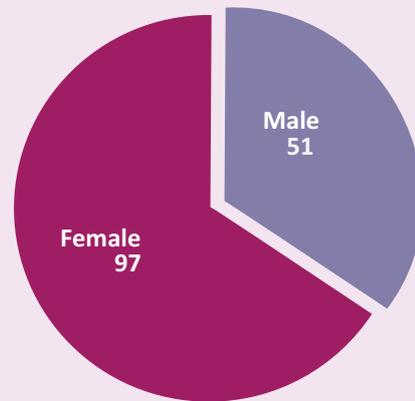
For the reporting year, we had a total staff strength of 246 employees, comprising 156 males and 90 females, all motivated and committed to actualising The Exchange's goals. Senior and middle management represented 8% and 18% of the total employee profile respectively. A total of 205 employees, representing the bulk of our staff strength were professional staff, while 41 supported the NSE as auxiliary employees.



Employee account



Average hours of training per gender



## BUILDING AND NURTURING TALENT

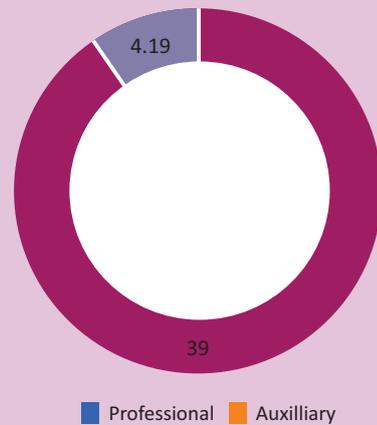
We recognise that building capacity amongst employees is one of the contributors to the success of any organisation. We know that to be 'future ready' entails meeting the ever-evolving business demands of the capital market. To achieve this, we have invested in building and strengthening our employees' competencies particularly in developing their ability to be adaptable, agile and innovative. The Exchange has put in place several mechanisms to build capacity and competence amongst our staff. Some of these are:

**LEAD** - The Leadership Enhancement and Development (LEAD) programme is The Exchange's strategy used to develop its experienced hire and build high-performing, innovative, and global leaders who are confident and ready to take up new and higher responsibilities.

**CDGP** - The Competency Development and Growth Programme (CDGP) is a structured approach by The Exchange to demonstrate its commitment to employee competency development toward the growth of each individual via a learning culture.

For the reporting year, average hours of training for men is 51 hours while that of women is 97 hours. In terms of employee category, average hours for professional employees is 39 hours while that of auxiliary employees is 4.19 hours. These are represented in the charts below:

Average hours of training per employee category



## EMPLOYEE REMUNERATION AND BENEFITS

We employ best practice in matters of remuneration. The Nigerian Stock Exchange has a pay structure and benefits policy which determines the remuneration elements applicable to the job grades in the organisation. The Exchange also has a policy called the Remuneration Adjustment Framework which sets out the process required for adjustment of The Exchange's remuneration in line with The Exchange's strategic objective and best practices. Retirement benefits are guided by the statutory requirements of the Nigerian Pension Reform Act 2014.

Our pay structure is based on job grades and not gender or other consideration. The Exchange does not operate in a unionised environment, hence collective bargaining is not applicable. Presently, our entry level salaries are above the national minimum wage. With regard to benefits, both permanent and fixed-term employment employees are provided the same benefits such as parental leave, medical insurance, life insurance, accident insurance, pension contribution amongst others. The table below provides information on staff who took parental leave and who returned back to work after the leave for the reporting year.

**Details of number of staff who took parental leave**

S/N	Description of Event	Male	Female	Total
1	Total number of employees that were entitled to parental leave, by gender	156	90	246
2	Total number of employees that took parental leave, by gender	5	6	11
3	Total number of employees that returned to work in the reporting period after parental leave ended, by gender	5	6	11
4	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender	5	6	11
5	Return to work and retention rates of employees that took parental leave, by gender	100%	100%	100%

**LABOUR PRACTICES AND HUMAN RIGHTS**

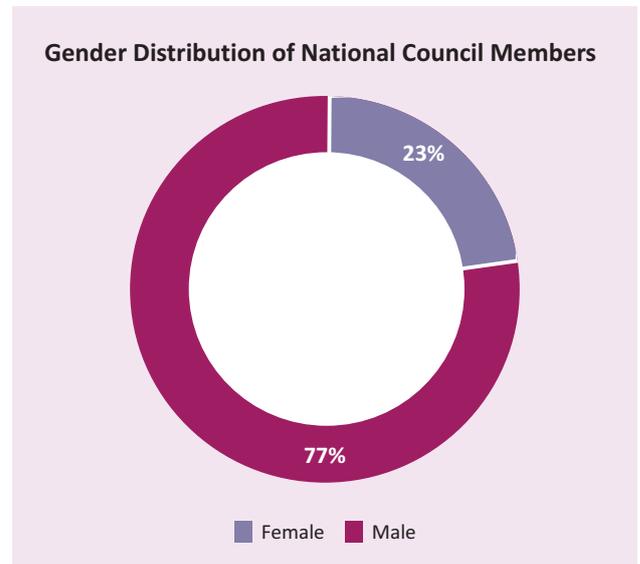
At The Exchange, we have a strict stance against child labour and forced labour in our employment practices. We have institutionalised policies to ensure that we follow due processes and practices that are in line with all labour regulations and laws. For the reporting year, we had no reported incident of forced labour or compulsory or child labour in any of our operations. We remain committed to protecting the dignity of our employees at all times.

S/N	Category	Number of complaints filed during the reporting year	Number of reports pending as at the end of the financial year
1	Child labour	Nil	Nil
2	Forced labour	Nil	Nil
3	Involuntary labour	Nil	Nil
4	Sexual harassment	Nil	Nil

**SHOWCASING DIVERSITY**

Each person working for The Exchange is considered equal as others without any discrimination based on language, religion, philosophical view, political view, race, gender and other reasons. The NSE strives to provide equal opportunities to everybody and this approach is based on ‘right person for the right task’, ‘equal work-load, equal wage’ and ‘rewarding success’ principles. Our pay structure is based on job grades not gender. Hiring and promotion is also based on competence and performance.

The National Council is currently composed of 23% female and 77% male, as represented in the chart below:



**MAIDEN EDITION OF THE NSE X-CHALLENGE**

We launched the NSE X-Challenge to foster stronger working relationships amongst our employees. This event will be organised annually as a platform to foster a culture of collaboration and competition among our employees.

## EMPLOYEE VOLUNTEERING

At the NSE, we have a strong culture of giving back to communities and being a good corporate citizen. We support and encourage our employees to volunteer, using their skills, resources and time, to worthy causes that make a difference in society. For the reporting year 2018, we had the following employee volunteering activities:

**1. Employee Giveback to SOS Children's Village Easter Donation:** During the Easter season, we had an internal campaign to donate cash, food, provisions and toiletries to SOS Children's Village at Isolo, Lagos. In addition to in-kind donations, a sum of N247,000 was

realised out of which N205,000 was used for health sponsorship of 10 children for a period of one year.

**2. Employee Volunteering for World Environment Day:** As a way of engaging employees during the 2018 World Environment Day which was themed 'Beat Plastic Pollution', we held a clean-up programme aimed at clearing plastic waste from our immediate environment and creating awareness on the menace of plastic pollution. About 30 employees participated in the exercise as volunteers.



NSE Employees take a stand for recycling, at the entrance of The Exchange following a clean up exercise of the Lagos Island Central Business District on the 2018 World Environment Day.



# COMMUNITIES

Through several initiatives implemented across board, we have been able to impact measurably in the educational, health and other sectors of the economy.

# COMMUNITIES

We believe that financial markets and companies play an important role and have responsibility not only towards economic growth and development but also towards committing to support inclusive and sustainable development in the communities where they live and work.

Through several initiatives implemented across board, we have been able to impact measurably in the educational, health and other sectors of the economy.

## COMMUNITIES HIGHLIGHTS

### Education and Financial Literacy



**17,480**  
students reached  
through 73 X-tour visits



**250+**  
IDP school children impacted  
through education intervention  
in the North East



**300%**  
increase in students  
reached through  
Global Money Week



**20,061**  
entries received for NSE  
Essay Competition,  
78% increase from 2017

### Health Intervention

NSE Corporate Challenge 2018



**450+**  
Runners from  
**150**  
companies  
participated in  
Corporate Challenge



**44m+**  
Impressions across  
various social media  
platforms



Partnership with over  
**25**  
**organisations**  
including media  
houses



**N28.5m+**  
Raised in donations

## IMPROVING ACCESS TO EDUCATION AND PROMOTING FINANCIAL LITERACY

The Exchange holds various annual programmes to promote financial inclusion and financial literacy. We contribute to the National Financial Inclusion Strategy and integration of financial literacy into school curricula.

### Global Money Week

We celebrated Global Money Week in collaboration with Access Bank Plc and AIESEC Nigeria. The week-long event included interactive sessions with the management of the NSE, school outreach programmes in Lagos, Ibadan, Kano, Abuja, Onitsha and Port Harcourt, and excursions to the trading floor as well as a closing gong ceremony.

We also collaborated with Bestman Games and Ediye (Restaurant) Limited, to introduce a Monopoly Open Competition for children between the ages of seven (7) and fifteen (15). The competition, which was designed to help children learn and show their basic financial planning skills, had 10 contestants and the winners went home with Monopoly games.

The NSE was able to impact a total of 15,116 students, an increase of over 300% from last year's 4,117 students, thus bringing the number of students directly impacted since commencement in 2014 to 22,286.



### NSE X-Tours (Schools' Excursion to The Exchange)

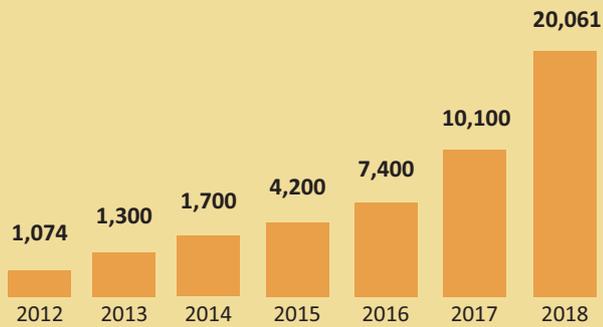
For the reporting period, the NSE recorded 17,480 participants in our X-Tours programmes from over 70 schools. Through X-Tours, the Exchange conducts participants on a field-trip through any of our trading floors across the country. A tour of the trading floor and interactive sessions on financial education topics expose participants to a 'live' view of what happens at a stock exchange, and helps inspire them to seek career opportunities in the capital market.

### Snippets from 2018 Global Money Week at The Nigerian Stock Exchange



Children interacting with floor brokers during the 2018 NSE's "A Day At The Exchange" event for children of NSE Staff and dealing members

## NSE ESSAY COMPETITION



Entries for the NSE Essay competition: The journey so far



Over 20,000 entries across 36 states and FCT.



Over 500 students in attendance at the Awards Ceremony



Over 20 schools participated in the Award Ceremony



N3.6M in scholarships, Investments, personal computers and desktops/printers for schools.



Over 3M social media impressions, #NSEEssayCompetition2018

### Sponsorships



Figure 2: 2018 NSE Essay Competition Highlights

The NSE Essay Competition is one of the financial literacy and inclusion initiatives of The Nigerian Stock Exchange aimed at bridging the gap in classroom learning with practical knowledge required for long-term personal financial planning. The competition's overall goal is to develop a culture of wealth creation amongst our youth towards building a financially savvy generation. In its 19th year, the competition has inspired over 67,000 young people in more than 12,000 schools across Nigeria.

The topic for the 2018 essay competition was '**Discuss how technology can promote financial literacy and encourage investment habit among youths**', with the aim of bringing the subject of technology to the fore and getting young people thinking about how to adopt technology as a veritable tool for building a financially savvy generation.

The 2018 competition, which was supported by Jim Ovia Foundation, Access Bank Plc and Prime Atlantic Limited, was open for entry on Monday, 16 July, 2018, and closed on Friday, 26 October, 2018. We received over 20,000 entries across the federation, 50% more than the total entries received in 2017.



## Dare2Dream Initiative on Empowerment and Financial Literacy

In the course of our drive towards building a financially savvy generation, NSE partnered with Kinabuti Fashion Initiative to empower young people with entrepreneurial skills and financial literacy, leveraging its Dare2Dream initiative across university campuses in Nigeria.

The Dare2Dream initiative, now in its fifth year, provided the NSE the opportunity to empower young people looking to start careers in the creative arts space, specifically as models, models, dancers, musicians and presenters. Delivered in the form of a reality show, it comes in three phases, starting with campus activations to create awareness and select the top creative minds, then a boot camp to provide essential training for the participants and to shortlist, and then lastly, a grand finale event to showcase the identified talents and to announce winners.

The partnership saw the NSE engage with about 25,000 undergraduates during the 2018 Dare2Dream activations, giving them financial literacy talks, educating them about the various offerings available in the capital market and conducting trivia quizzes to test understanding of the learning from the various talks. Stockbrokers were also on ground to assist interested youths to open brokerage accounts and begin to invest for the future.

For this year, the campus activations were held at five Nigerian universities: University of Lagos, University of Port Harcourt, University of Calabar, University of Jos and Enugu State University.

The partnership drew international attention and was featured in the World Federation of Exchanges (WFE) Focus Magazine.

## CHANGING EDUCATIONAL OUTCOMES

### Borno State Education Intervention Programme

Maisandari Alamderi Model Nursery and Primary School, which was built and donated by The Exchange in 2017 to help Internally Displaced Persons (IDPs) in Borno State, enjoys positive feedback and testimonials from community leaders and parents as it continues to make giant strides, having positively impacted over 200 families directly since its inception. Specifically, some achievements are worthy of note:

- Nil dropout of the 250 pupils enrolled (143 boys and 107 girls)
- Improved learning outcomes in speaking, reading and writing among the pupils
- Upskilled teachers with technology-based delivery of the standardised curriculum

- Zero security breach or negative developments in the school

## LEADING CHANGE IN HEALTH AND WELLNESS NSE Corporate Challenge

- Over N150m raised since the launch of the Corporate Challenge
- Over 2,800 runners have participated

The fifth in the series of the NSE Corporate Challenge, which is an annual, highly competitive and fun-filled 5-kilometre walk, jog and run competition designed to raise awareness and funds towards the eradication of cancer, was held on 15 September, 2018, at Muri Okunola Park, Victoria Island, Lagos.

We raised N28.5 million via sponsorship and registration. In the same vein, we had a total of 259 actual runners. The hashtags #eracecancer and #NSECorporatechallenge were trending topics on Twitter on September 15 and 16, 2018, respectively, with 37.2 million impressions and 7.03 million unique reach. Having garnered 6 new media partnerships, the race received extensive coverage across various print, electronic and online platforms.

NSE Corporate Challenge 2018 Race Ambassadors  
At The Closing Gong



## INSPIRING AND EMPOWERING CHANGE

### International Women's Day 2018



We commemorated the 2018 International Women's Day, themed 'Press for Progress' in partnership with Sustainable Stock Exchanges Initiative, United Nations Women, United Nations Global Compact, International Finance Corporation, the World Federation of Exchanges, Women in ETFs and Women in Management, Business and Public Service (WIMBIZ). With over 200 attendees, the half-day symposium was headlined by both the British Deputy High

Commissioner to Nigeria, Laure Beaufile, and Dame Abimbola Fashola, former First Lady of Lagos State and Chairman, LEARN NGO/Ella Cares. In addition to an all-female panel, we had an all-male panel to provide broader perspective to the discussions about gender parity.

### TIA Meet-Up Conference

The NSE hosted the second in the series of the Traders Investors and Analysts (TIA) Meet-Up conference organised in partnership with Trendonomics. The platform brings together market players and investors to learn, share and network. The aim is to acquire knowledge about the market and financial products, explore market tools, decipher investment opportunities and understand the platforms needed to achieve investment goals. As markets continue to evolve, the NSE is at the centre of helping investors garner all available information to effectively direct their investment decisions and ultimately grow their wealth.



A cross section of panelists at the 2018 NSE Market Data Workshop, The Exchange's annual free-to-attend conference that brings together industry leaders to provide recent insights no market data and the impact on the investment decision making.



# ENVIRONMENT

An essential principle of our approach to corporate responsibility and sustainability is our ability to balance the achievements of our financial performance with sustainability goals that align with our commitment to creating shared value for our stakeholders.

## ENVIRONMENT

An essential principle of our approach to corporate responsibility and sustainability is our ability to balance the achievements of our financial performance with sustainability goals that align with our commitment to creating shared value for our stakeholders. One of our expressions in this regard is our commitment to environmental sustainability in all our business processes in line with our holistic sustainability approach. For the reporting year, our environmental sustainability initiatives were structured along the lines of energy consumption and management and waste management.

### ENERGY

In order to effectively conserve energy within our operations, we commenced the process of converting the Exchanges' head office energy source from diesel to Liquefied Petroleum Gas (LPG). Process for conversion is currently ongoing. For the reporting year, we employed the use of 80% energy saving material and also implemented a building power saving plan thus resulting in a reduction of our energy consumption. Our total diesel (AGO) consumption stood at 434,830 litres/annum in 2018 while electricity consumption was 1,173,375 kWh/annum from Power Holding Company of Nigeria (PHCN) in 2018, a great improvement from our consumption figure in previous years.

### WASTE

Our environmental sustainability initiative was also channelled towards waste management through the following activities:

#### Commemoration of the World Environment Day

In May 2018, we commemorated the World Environment Day for the first time at The Exchange with a Closing Gong ceremony tagged 'Sound the Gong Against Plastic Pollution'.

We also held a clean-up programme which was an

employee volunteering event. Employee volunteers from The Exchange came out in their numbers to clear plastic waste from their immediate environment as well as create awareness on the menace of plastic pollution, in line with the theme for this year's celebration, 'Beat Plastic Pollution'.

NSE employee volunteers were joined by Mr. Desmond Majekodunmi, Chairman of Lagos State Urban Forest and Animal Shelter Initiative (LUFASI); Chief Ede Dafinone, Chairman, Nigerian Conservation Foundation (NCF) National Executive Council; Mrs Bilikiss Adebisi-Abiola; General Manager, Lagos State Parks and Gardens Agency (LASPARK) and Mazi Ukonu, CEO, RecyclePoints in the clean-up exercise along the business district of Lagos.

#### Internal Recycling Programme

Furthermore, to adequately manage waste, The Exchange has an internal water recycling programme and we currently recycle about 50% waste generated. An MoU was signed with RecyclePoints Limited to ensure the success of the programme. At the end of the year, a progress report capturing the volume of recyclable waste generated the NSE will be developed and included in our sustainability report. Our goal in the near future is to recycle 100% of the waste generated at The Exchange.

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## LIST OF ABBREVIATIONS

AGM	-	Annual General Meeting
AGO	-	Automotive Gas Oil
AI	-	Artificial Intelligence
ALM	-	African Leadership Magazine
ASEA	-	African Securities Exchanges Association
ASEM	-	Association of Stock Exchange Management
ASI	-	All Share Index
CACC	-	CBN-Affiliated Councils and Committees
CDGP	-	Competency Development and Growth Programme
CEO	-	Chief Executive Officer
CL	-	Child Labour
CMC	-	Capital Markets Committee
CSR	-	Corporate Social Responsibility
DG	-	Director General
DMO	-	Debt Management Office
EV	-	Employee Volunteering
EVD	-	Economic Value Distributed
EVG	-	Economic Value Generated
EVR	-	Economic Value Retained
FILEX	-	Financial Literacy Excellence Awards
FIX	-	Financial Information eXchange
FL	-	Financial Literacy
FME	-	Federal Ministry of the Environment
FMF	-	Federal Ministry of Finance
FSRCC	-	Financial Services Regulation Coordination Committee
FSS	-	Financial Systems Strategy
GARC	-	Governance and Remuneration Committee
GB	-	Green Bonds
GBL	-	Green Bonds Listing
GMW	-	Global Money Week
GRI	-	Global Reporting Initiative
HCD	-	Human Capital Development
HR	-	Human Resources
IDP	-	Internally Displaced Persons
IOSCO	-	International Organisations of Securities Commissions
ISA	-	Investment and Securities Act
ISG	-	Intermarket Surveillance
LASPARK	-	Lagos State Parks and Garden Agency
LAWMA	-	Lagos State Waste Management Authority
LCCI	-	Lagos Chamber of Commerce and Industry
LEAD	-	Leadership, Enhancement and Development
LPG	-	Liquefied Petroleum Gas
LUFASI	-	Lagos State Urban Forest and Animal Shelter Initiative
MDGs	-	Millennium Development Goals
MoU	-	Memorandum of Understanding
NCF	-	Nigeria Conservation Foundation
NEC	-	National Executive Council

NGO	-	Non-Government Organisation
NSE	-	Nigeria Stock Exchange
PL	-	Parental Leave
PM	-	Premium Board
RAF	-	Remuneration Adjustment Framework
RMF	-	Risk Management Framework
SDGs	-	Sustainable Development Goals
SE	-	Stakeholder Engagement
SEC	-	Securities and Exchange Commission
SMEs	-	Small and Medium Enterprises
SRO	-	Self Regulatory Organisation
SSEI	-	Sustainable Stock Exchange Initiative
TIA	-	Traders, Investors and Analysts
TOGY	-	Th Oil and Gas Year
UN	-	United Nations
UNDP	-	United Nations Development Programme
UNGC	-	United Nations Global Compact
WACMIC	-	West African Capital Markets Integration Council
WED	-	World Environment Day
WFE	-	World Federation of Exchanges
WIMBIZ	-	Women in Management, Business and Public Service

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