



CEO's Statement of Continued Commitment

December 16, 2019

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

Dear Mr. Secretary General,

I am pleased to reaffirm Sterling Bank Plc's continued commitment to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

As an institution committed to the attainment of the United Nations (UN) Sustainable Development Goals (SDGs), we subscribed to the United Nations Global Compact (UNGC) in December 2018.

Over the course of our participation, we have worked to embed the ten principles into our business operations and activities, and continually strive to improve our performance.

In this first communication on our progress report, we highlight our actions and conscious efforts to implement and integrate the ten principles of the UNGC in our business strategy, culture and day to day operations.

With this communication, we reaffirm our intention to continue to implement initiatives that will advance the realization of the development goals of the United Nations, particularly the Sustainable Development Goals, within our sphere of influence. Sterling Bank Plc is also committed to sharing this information with our stakeholders and the general public.

We are appreciative for this opportunity to partner with the UNGC towards attaining sustainable development.

Sincerely yours



Abubakar Suleiman
Chief Executive Officer, Sterling Bank Plc.



Basic Information

We have been in the Nigerian market since 1960. Our clientele cuts across individuals, corporates and institutions in Nigeria. We are a publicly listed company with more than 90,000 shareholders.

As at September 2019, there were 2,511 professionals and 1,629 support staff employed in Sterling Bank Plc.

Headquarters: Sterling Towers, 20 Marina, P.M.B. 12735, Lagos, Lagos State, Nigeria

Total Assets: Over N 1.2 Trillion

Total Equity: N109.5 Billion

Credit rating: B2 Rating by Moody's

Market focus: Retail, Commercial, Corporate and Institutional Banking.

Channels: Over 177 Business Offices, 884 active ATMs, 10,157 POS terminals


Website: www.sterling.ng

Corporate Profile





Sterling Bank Plc “Your One-Customer Bank” is a full-service national commercial bank in Nigeria with an asset base of over \$ 3.8 billion (N1.2 trillion) and shareholders' funds in excess of \$300m.

Sterling Bank Plc. (Formerly NAL Bank Plc.) has evolved from being the Nation's pre-eminent investment banking institution to a full-fledged commercial, institutional and retail bank. Sterling Bank Plc is engaged in the business of banking with an emphasis on retail, institutional, commercial, corporate banking, trade services, investment banking activities and non-interest banking. It also provides wholesale banking services including the granting of loans and advances, letter of credit transactions, equipment leasing, money market operations, electronic banking products and other banking activities.




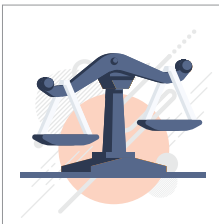




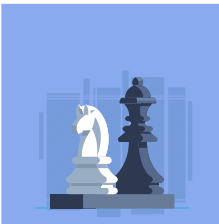

Sterling Bank is currently focused on retail banking. The “Retail” initiative was launched on the 2nd of October 2014 and is geared towards reaching the hitherto unbanked sector of the economy. We understand that a large section of the economy does not have access to banking services and we are committed to reaching out to these financially excluded individuals to ensure the realisation of the national and indeed the global commitment of poverty eradication.

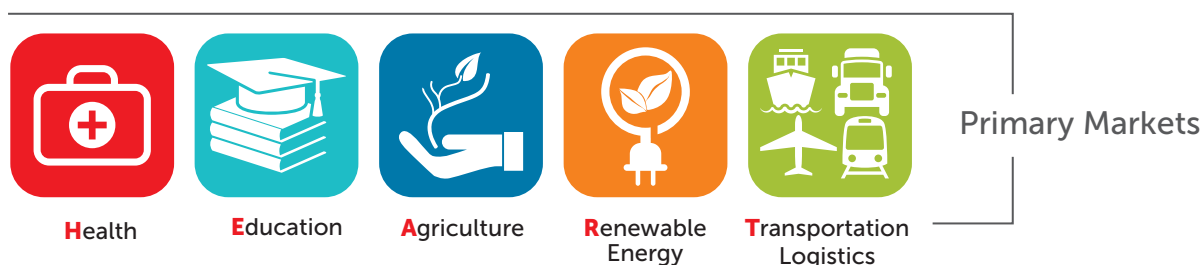
<h3>Our Purpose</h3>  <p><i>“Enriching Lives”</i></p>	<h3>Our Mission</h3>  <p><i>“We deliver solutions that enhance stakeholders value”</i></p>	<h3>Our Vision</h3>  <p><i>“To be the financial institution of choice”</i></p>		
 <p>For our employees, we strive to provide a motivating, safe work environment and career progression.</p> <p>Our goal is to build an organization that motivates and inspires all to achieve their full potential</p>	 <p>To our customers, we place a premium on value enhancement in our relationships.</p> <p>We endeavour to improve turnaround time for transactions, enhance the service experience, and increase retail channels to ensure our services are within reach.</p>	 <p>We endeavour to be responsive to the rules set and contribute to the achievement of a sound and stable financial services sector.</p>	 <p>We aim to deliver strong ROE to investors without compromising the future.</p>	 <p>We support and collaborate to improve the lives of the people in communities where we do business.</p> <p>We also enter responsible business partnerships with a priority on building long-term relationships and fairness in our dealings to ensure improvement and growth for our vendors.</p>

Our Core Values

<p>C Customer Focus</p>  <ul style="list-style-type: none"> • "The customer is king" • Holistic understanding of the customer's business • Creativity in meeting the customers' needs, both internal and external 	<p>I Integrity</p>  <ul style="list-style-type: none"> • Commitment, dependability, reliability and confidentiality geared towards winning the customer's implicit trust
<p>T Teamwork</p>  <ul style="list-style-type: none"> • "The success of one is the success of all" • Seamless interface of all parts of the business 	<p>E Excellence</p>  <ul style="list-style-type: none"> • Commitment to excellence in all our engagements

Our Behavioural Codes

<p>01 Be Passionate</p> 	<p>02 Be Impactful</p> 	<p>03 Be Respectful</p> 	<p>04 Be Ethical</p> 	<p>05 Be a listener</p> 
<p>Infect others with your thirst for excellence. Always crave the Sterling success</p>	<p>Leave a long lasting positive impression by consistently achieving positive results that add sustainable value and enrich lives</p>	<p>Consider how your words and actions impact others; treat everyone with dignity.</p>	<p>Avoid conflict of interest and personal gain. Adhere to policies</p>	<p>Listen carefully when others are speaking and try not to interrupt. be explicit in your speech and writing</p>
<p>06 Be Responsible</p> 	<p>07 Be Tolerant</p> 	<p>08 Be of Service</p> 	<p>09 Be a Leader</p> 	<p>10 Be Agile</p> 
<p>Own your mistake. Learn from it and team to do better in the future</p>	<p>Step out of your comfort zone and seek to understand others</p>	<p>Seek what is best for Sterling always, rather than what works best for yourself or your team/group</p>	<p>Demonstrate personal accountability by displaying behaviours and actions that reflect high professional standard</p>	<p>Responsive and adaptable at all times. Collaborate and share information and ideas as appropriate</p>



"Our size, scale and influence mean we have both a responsibility to do the right thing and an opportunity to create real lasting change."
 - Anna Gedda

Our purpose as an institution is to "enrich lives". We believe that by involving our community in our growth, we can only grow bigger. The potential of channelling private sector capital and market-based tools to offer solutions to some of the most pressing social and environmental challenges cannot be underestimated. Increasingly, the Nigerian market is desperate for this kind of approach thus providing an opportunity for organizations such as ours. The core of our business as a financial institution is the commitment to improving lives and encouraging economic development as well as sustainability. Emerging markets like Nigeria are living in an exciting financial era where innovation meets opportunity. Growth in the economy will call for more specialized and complex financial services which will lead to growth in other financial services outside of commercial banking.

More so, the growth of emerging market economies will enable financial service providers (especially banks) within those environments gain strength and provide the impetus for expansion beyond their borders. This enables them to spread risks in a time of volatility. Given this background, Sterling Bank intends to be the financial institution of choice for key stakeholders by enhancing technological capability and entrenching a customer-centric business model.



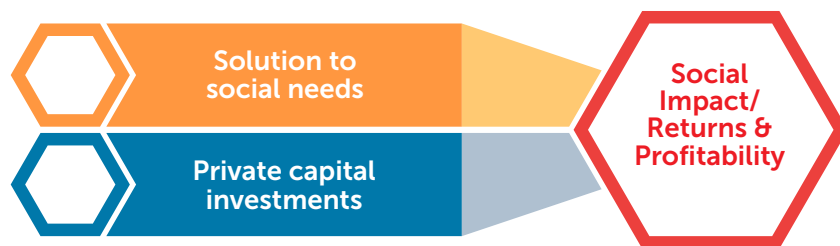
Our Specialization Path

We will ensure that in our areas of operation, we improve human capital and encourage economic development and sustainability. For this reason, we are guided by the thought that for human development, we require:

- A functional healthcare system supported by a clean environment
- A sound educational system fed by an agricultural sector that ensures food security
- Adequate power generation and a robust transportation system to move all economic resources

Education, Good health and Healthy nutrition reduces the susceptibility to poverty and other challenges which suppress growth and a clean environment enables a healthy life.

Our business model is premised on social capitalism, where we believe that private sector capital and market-based tools will offer the best types of solutions to Nigeria's most pressing social and environmental challenges. In addition, all solutions are designed with the customer/ final consumer in mind. Decisions are made based on the following:



The Heart Strategy

HEALTH



The Nigerian health sector is valued at about US\$18.3 billion of which approximately US\$13.7 billion is the private sector. Demand for healthcare in Nigeria currently exceeds supply, presenting a range of opportunities for much needed public and private sector investments.

The domestic healthcare sector is estimated to be worth US\$5 billion per annum. In addition, Nigerians spend more than US\$1 billion on about four million medical treatments abroad each year. Given the increasing demand for healthcare services and the inadequacy of Government's intervention in the sector, private sector participation has been on the rise across the entire value chain of the sector. Consequently, greater emphasis is placed on the growing private healthcare market, which makes it a focal point.

Our goal in this sector is to;

Improve healthcare delivery infrastructure through Equipment Financing



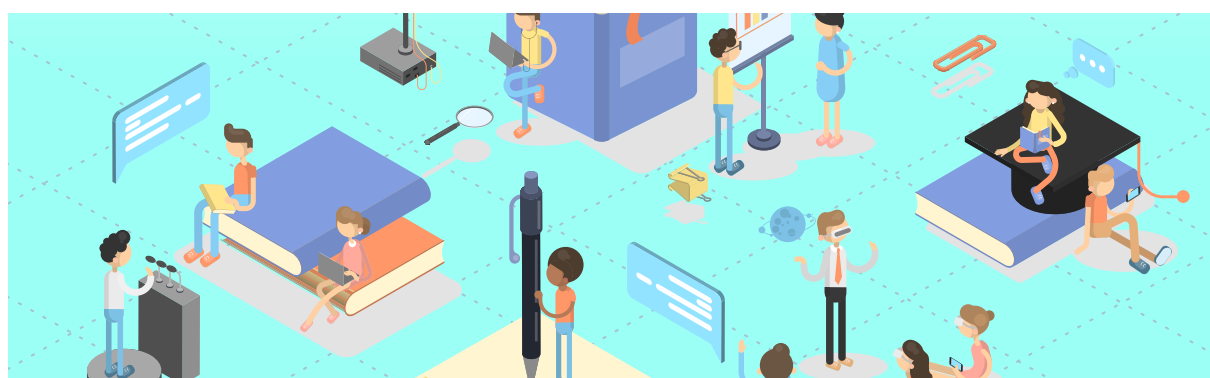
Improve access to medical technology that also improves health business by providing access and information to practitioners in the sector. These will include technologies such as: Hospital Management systems to improve data collection, analysis and decision making and Inventory Management system to keep track of stock.

Increase technical capacity across the sector through Capacity Building/Training.



Encourage innovative cost-effective business models through our partnerships with other experts.

EDUCATION






Nigeria has one of the highest numbers of out of school children, one of the lowest budgets by the government for education and a large youth population - all three issues providing both a crisis and a blessing. The sector is valued at about US\$9.2 billion of which approximately US\$8.3 billion is the private sector. As of 2013, there were 13 million students enrolled in private schools and it is estimated that there will be 21 million students enrolled in private schools by 2021.

The education investment opportunity in Nigeria is one of the largest on the continent, estimated at over US\$1.5 billion, mainly due to the large and growing youth population. Although the sector is highly regulated, with registration requirements across the levels, there are an emerging class of unregistered but

high-volume schools in operations across the country to serve the significant demand for education. Given the realization that the government alone cannot cater to the large need the population provides, by providing access and content we are aiming to:

- 01 Improve education infrastructure
- 02 Deepen the knowledge of students, teachers and school business owners
- 03 Improve the number of enrolled children per year

To achieve this, we will...

	 <p>Provide access to finance for parents, schools and other stakeholders. We will go a step further to fund unapproved schools to enable them to meet the criteria for approvals from the government.</p>	 <p>Invest in technology that enables easy learning and dissemination of information to students and teachers.</p>	 <p>Seek strategic partnerships outside of Nigeria to enable foreign investment flows into the education sector.</p>	
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AGRICULTURE



The two major gaps facing agriculture today remains the inability to meet domestic food requirements, and export at quality levels required for market success. The problem of food sufficiency stems from a productivity challenge driven by an input system and farming model that is largely inefficient. The country holds vast agricultural potential due to its large domestic market and its abundant arable land and has been unable to reach its full potential due to the lack of aggregation of smallholder farmers and infrastructure bottlenecks. For example, only 40% of the country's 84 million hectares of arable land is currently under cultivation.

Despite its large agricultural potential, Nigeria has been a net importer of foodstuffs for almost two decades, and the gap between imports and exports continues to grow. Currently, the agricultural sector is

fragmented and dominated by smallholder farmers, suggesting that most producers cannot take advantage of the economies of scale required to compete globally or against imports. 'Feeding the Nation is everyone's responsibility'. This is the mantra that guides our actions in the Agriculture sector. We believe that Nigeria's industrialization and poverty reduction will come from the sector that currently provides the highest means of livelihood and thus we will:



Provide finance across the value chain for agriculture to ensure that clean food reaches the table of Nigerians, Agriculture industrialists are wealthy, and Farmers live a healthy and fulfilling life.

Provide a platform that links all players within the industry while providing information to help improve their business.



The sector is the oldest of all 5 sectors which started major business as a pilot in 2015. Today, the Agriculture sector currently holds 10% of the bank's entire loan book, setting it as the highest in that industry country wide. The bank has won awards as Best Bank in support of Agriculture, Agriculture Bank of the Year amongst others.

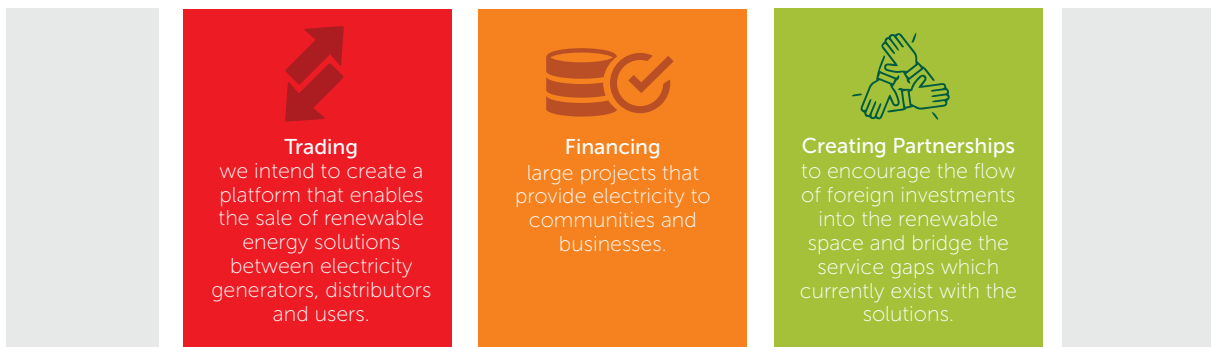
RENEWABLE ENERGY



Nigeria in its history of electricity generation has not had adequate supply of electricity, thus leaving it behind on various innovation in the globalized world. As the country's economy develops further, the demand for energy will increase. Already, the lack of adequate power supply cripples industries and slows industrialization. It is estimated that only 5,000 megawatts of the country's 12,500 megawatts installed capacity are utilized at peak. Consequently, about 50% of Nigerians have limited or no access to the grid resulting in the need for a secondary power system to offset energy requirements.

Globally, the gradual diminishing of fossil fuels and the efforts to save the eco-system from global warming has seen nations turning to alternative sources to meet their energy demands. Nigeria is not left behind as the adoption of alternative sources of energy will accentuate existing supply capabilities from on-grid power sources, boost growth further and reduce environmental pollution. Nigerian homes and businesses spend up to US\$14 billion (NGN5 trillion) annually on inefficient power generation that is costly, of poor quality, noisy, and polluting. Leveraging off-grid alternatives to complement the grid creates a US\$9.2 billion/year (NGN3.2 trillion/year) market opportunity for mini-grids and solar home systems that will save about US\$4.4 billion/year (NGN1.5 trillion/year) for Nigerians.

There is also a large potential for scaling within, for instance, installing 10,000 mini-grids of 100 kW by 2023 will only meet 30% of estimated demand. Our play in the renewable space is part of our commitment to growing and improving businesses in Nigeria by reducing their cost of power while ensuring constant supply. We have taken a 3-pronged approach to achieve this:



TRANSPORTATION



In many developing countries, the transportation sector contributes between 6% to 14% of the GDP but contributes below 1.5% to Nigeria's GDP. An efficient transport system optimizes the value chain in any economy and impacts on other sectors of the economy. The introduction of new technologies, new players and changing customer behaviours provide the industry with the potential to transform as a system and for new business models to develop. This provides an opportunity for us to bridge the gap that challenges such as poor infrastructure, lack of investment and development of new technologies and inadequate mass transit creates. For the transportation sector, we will:

- invest in technologies that ensure efficient collections for transport businesses;
- provide financing that enables transport businesses to scale up from their current models;
- create partnerships with experts outside of Nigeria to test new business models that ensure that economic resources are adequately, properly and safely transported; and
- actively encourage the use of mass transit systems to reduce carbon emissions in line with our commitment to a cleaner environment.

With a relatively small community of investors and availability of required capital relative to the size of these sectors, our objective is to create an enabling environment within these sectors. We will entrench ourselves in these sectors, become specialists, invest in R&D and more importantly build technology platforms in these sectors to drive growth.

For every single one of these sectors, we are investing significantly in using technology to reduce the marginal cost for the players in these sectors which will increase market potentials and consequently attract the much required additional investments. In addition to this, we are deliberately investing and partnering with key SMEs who contribute significantly to economic growth and development, particularly within the HEART sectors. By growing retail business, we can finance activities in these sectors cost-effectively and efficiently for them and us. We have tested this business model for sector-based businesses over a few years which allowed us to gain traction in the Agriculture sector, which currently makes about 10% of our loan book. The other sectors have been in research since 2016 to pave the way to expand business significantly in 2019.



HUMAN RIGHTS

Principle 1 – 2

- *Businesses should support and respect the protection of internationally proclaimed human rights.*
- *Business should make sure that they are not complicit in human rights abuses.*



Assessment, Policy and Goals

- Sterling Bank will consistently promote and improve the enforcement of the human rights requirements of the Federal Republic of Nigeria, including applicable local and international laws. We are committed to developing and sustaining a structure that upholds human rights. We will continue to improve our human right protection and resolution mechanisms.
- Sterling Bank remains committed to respecting and upholding human rights by adopting all internationally recognized standards and practices such as the United Nations Declaration on Human rights as well as other internationally recognized treatise to which the country is a signatory in our business operations. We recognize that to be sustainable in the long run; we must acknowledge and respect human and labour rights in our business operations and activities.
- We have a Whistle-blowing policy which enables stakeholders of the Bank report acts of impropriety through the dedicated channels.
- As a responsible Bank, we do our utmost to embed respect for human rights in all our processes and practices.

Implementation

- We ensure to provide training and awareness programmes for employees across the Bank, to reiterate our values on respecting the rights of others.
- Through our Third-Party Environmental and Social Framework, we advise and check that our customers are not involved in operational practices that trample on the rights of their employees or members of the community where they operate.
- The Bank's Code of Conduct form is signed by all employees to affirm their commitment to abide by the Bank's behavioural standards. All form of harassment or bullying is intolerable, as Sterling is committed to ensuring its employees are treated fairly and with respect.
- As part of our commitment to support International Best Practice on upholding and promoting Human rights and conducive Labor working conditions, an anonymous and confidential grievance redress mechanism to address cases of bullying, fraud, sexual harassment, intimidation and community grievances has been established.
- Through our Sustainable Banking framework and the Environmental and Social Risk Assessment process, we do not finance any transactions that employ forced or underage labour.

Measurement of Outcomes

- We have recorded zero cases of human rights violation.
- We have an effective grievance mechanism process which includes both internal and external whistleblowing platforms where employees and external stakeholders can state their grievances anonymously, and we support the prompt resolution of identified grievances.
- We carry out both internal and external customer surveys to obtain necessary feedback on our level of service delivery and to identify areas of improvement.
- We embark on yearly anti-bullying and anti-harassment training, campaigns and awareness programmes for employees across the Bank, to reiterate our values on the maintenance of a conducive work environment and respecting the rights of others.
- Assessments are carried out to determine the human rights risks that may arise in the course of our vendor's business activities and mitigation measures are recommended.
- We have screened over 200 credit requests in the Environmental and Social coverage sectors (Agriculture, Education, Health, Renewable Energy, Transport, Manufacturing, Power, Oil and Gas, Real Estate, Mining and Construction) for human rights risks and mitigation measures have been recommended.
- 5,583 customer and external community complaints were resolved via the Bank's Contact centre complaint resolution mechanism, and 12 cases have been investigated on the anonymous Whistleblowing platform in 2019.

Action plans

- We are currently developing a thorough Third-Party Environmental and Social risk assessment process aimed at determining and mitigating against possible human rights risks in the course of suppliers, vendors and third-party service providers' business activities.
- Plans are ongoing to put in place a human rights framework in line with global best practices to guide our staff, credit customers and vendors on the right of others and the consequences of non-compliance with applicable laws. Training will also be conducted to further indoctrinate these principles in the minds of all stakeholders.

LABOUR

Principle 3 – 6

- *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.*
- *Businesses should uphold the elimination of all forms of forced and compulsory labour.*
- *Businesses should uphold the effective abolition of child labour.*
- *Businesses should uphold the elimination of discrimination in respect of employment and occupation.*



Assessment, Policy and Goals

- As a responsible corporate organization, we strongly condemn the use of child or forced labour in all areas of our business operations and activities. We encourage our suppliers, vendors, contractors and investees to adhere to best practices in Human Rights protection, including the protection of the rights of children.
- At Sterling, we understand that gender equality is not only a fundamental human right but an essential foundation for a prosperous, peaceful and sustainable world. To affirm our commitment to gender equality, we have implemented a Diversity and Equality policy to uphold and promote an inclusive workplace, where every employee can thrive irrespective of their race, colour, gender, religion, political opinion, nationality, social origin, disability or age. We strive to create an enabling environment for our employees to succeed because the variety of experiences, skills and approaches that they bring is necessary to drive performance and innovation
- We also encourage our business partners, suppliers, third-party service providers and contractors to embrace non-discriminatory policies and abide by national and international labour laws in their business dealings.
- The Bank prioritizes the health, safety, and wellbeing of its employees and customers. It is our responsibility to provide a safe and sanitary working environment for our employees; the Occupational Health and Safety (OH&S) policy guides all employees on safety measure. The Health, Safety and Environment unit is charged with the implementation OH&S policy. All employees are required to observe health and safety rules and practices and notify health and safety officers of possible OH&S hazards observed in the work environment.

Implementation

- Sterling Bank is an equal opportunity employer; we hire based on merit, competencies and organizational cultural fit, without prejudice to any attributes such as, but not limited to, gender, race, religion or physical traits.
- Sterling Bank is an equal opportunity institution where every employee can thrive irrespective of their race, colour, gender, religion, political opinion, nationality, social origin, disability or age, in line with this, a diversity and equality policy was also developed to help drive our commitment to a non-discriminatory work environment.
- One of our goals on gender diversity in the medium term is to attain a 45% female representation at senior management level; to achieve this, we have nurtured the right culture which is critical to fostering a gender-balanced workplace that takes pride in achieving wholesale work-life integration.

- As part of our commitment to maintaining a safe and fair work environment where all staff have a right to associate and speak freely, we introduced "Talk with Abu", a forum that allows employees engage in conversations with our Chief Executive Officer.
- We have introduced the Sterling Behavioral Codes which personify our ethos to build a workplace that is safe and enabling for all, regardless of gender - a workplace devoid of all forms of abuse and discrimination, where our female talents are consistently empowered, motivated and self-driven to do more and be more.
- As part of our commitment to a balanced workforce, we created Bloom network to promote gender diversity and increase women representation at all decision-making levels of the Bank.
- Assessments are carried out to determine the child and forced labour risks that may arise in the course of our vendor's business activities and mitigation measures are recommended.
- We have established an Employee Health and Wellness desk and institutionalized a Health Insurance Scheme (HMO) for members of staff.
- We have instituted a 4-month maternity and a 5-day paternity leave respectively, for new parents.
- We have an on-site crèche to provide nursing mothers in our workforce with safe & convenient childcare.
- We have introduced an Employee Assistance Programme which offers workplace counselling benefits to employees; they have access to speak to professional counsellors at any time regarding various issues ranging from their personal to professional lives. Also, this helps our female employees settle well after maternity leave.

Measurement of Outcomes

- As of September 2019, 41.1% of our employees and 30.72% of employees in a senior management position are women.
- We have held seven (7) "Let's Talk with Abu" sessions in Lagos, Ibadan, Owerri, Abuja, Port Harcourt and Kano with over 2,000 employees in attendance. A total of 99 actions points were collated from these engagements.
- Our on-site creche currently caters to 15 children.
- A total of 87 employees have benefitted from the newly instituted Employee Assistance Programme.
- 77 employees have embarked on maternity leaves and 75, on paternity leaves. For three months following resumption from maternity leave, nursing mothers are also allowed to resume work an hour later (9:00 am) and leave an hour earlier (4:00 pm)
- The bank was awarded Best in Leadership (Large corporate), Best Workplace for millennial generation and Third Best Place to Work in Nigeria and on the African continent at the 2019 edition of the annual Great Place to Work awards.

- With the launch of the Bloom network, critical success indicator was set to enable female representation at every decision-making level within the organisation. So far, the Bloom network has achieved the following
 - *#BalanceforBetter* launch show, which hosted a live discussion via Skype for business for all female employees nationwide.
 - 50 senior women have been trained at two (2) Mentoring sessions.
 - Donation to support a girl child campaign by providing reusable kits for 1,000 secondary school girls nationwide.
 - Creation of the Bloom Network portal for women to interact and share/learn from each other.
- Over 200 credit requests within the Environmental and Social coverage sectors (Agriculture, Education, Health, Renewable Energy, Transport, Manufacturing, Power, Oil and Gas, Real Estate, Mining and Construction) have been assessed for child and forced labour risks and mitigation measures have been recommended.
- Dedicated clinical officers were also deployed to our Head offices and Head office annex to assist in delivering standard health care to staff members on minor health issues.
- Each floor within our Head Offices has a minimum of four (4) safety officers who are responsible for all Health and Safety related incidents and also coordinate health and safety awareness training as well as fire drills.

Action Plan

- The Bank is planning to implement and certify ISO 45001:2018 - Occupational Health and Safety Management System (OHMS) to provide a systematic approach for managing employees' safety and well-being, in line with best practice and with a view to enhancing productivity and the quality of work.

ENVIRONMENT

Principle 7 – 9

- *Businesses should support a precautionary approach to environmental challenges.*
- *Businesses should undertake initiatives to promote greater environmental responsibility.*
- *Businesses should encourage the development and diffusion of environmentally friendly technologies.*



Assessment, Policy and Goals

Our mantra 'committed to being nature's keeper' is a binding decision that has ensured we remain committed to identifying and mitigating the negative impacts of our business operations and activities on the immediate environment. We have committed to reducing our ecological footprint by the implementation of climate change mitigation and adaptation actions to reduce the emission of anthropogenic greenhouse gases (GHGs).

- Sterling Bank understands the importance of ensuring that its business operations are conducted (designed, constructed and operated) in such a way that they present as small a carbon footprint as possible.
- We have developed a Carbon Footprint Policy that underscores our commitment to managing the environmental impact of our business operations and we have set a 3-year target to reduce our Carbon Footprint by a minimum of 5% over 3 years ending in 2020.
- As an environmentally friendly brand, we have adopted and embedded an environmental sustainability culture into our waste management processes.
- In compliance with the Nigerian Sustainable Banking Principles and Environmental and Social (E&S) laws and regulations, we will continue to improve our Environmental and Social Risk Management (ESRM) in our credit processes to reduce the exposure of our credit portfolio to E&S risks and promote sustainable development.
- Knowing the extent to which our supply chain affects our service delivery and brand reputation, the Bank has developed a Third-party Environmental and Social Risk Framework which entails our supplier code of conduct, a questionnaire for sustainable practices and an assessment process which would be used to gauge and score our vendors on sustainable practices.
- Our sustainability strategy includes investing in sectors that promote the realization of the Sustainable Development Goals, one of which is Affordable and Clean Energy.

Implementation

- We have partnered with energy outsourcing vendors, to deploy hybrid power and renewable energy solutions to our branches, in addition to the other energy solution currently being employed to further reduce our greenhouse gas emissions.
- We extended our Environmental and Social risk assessment to cover a total of 11 sectors – Agriculture, Health, Education, Renewable Energy, Transportation, Mining, Manufacturing, Oil and Gas, Power, Construction, Real Estate and Mining.

- We have established recycling activities at our Head Office and Head Office Annex locations; dedicated recycling bins have been provided and our janitorial staff have been trained on recyclable material handling. Plans are underway to expand to more locations.
- We have deployed the Print as a Service initiative to our Head Offices and 70 branch locations, to improve process efficiency and reduce our environmental footprint.
- We have deployed Integrated Waste Treatment/Bio-digester systems to treat all sewage and biodegradable fractions of Municipal Solid Waste (MSW) being generated at branch locations.
- We have reduced vehicular emissions by the withdrawal and outsourcing of pool cars, reduction in the frequency of air travel, and encouraging video conferencing services.
- We have made substantial investments in the Renewable Energy sector.

Measurement of Outcomes

- We recorded a 1.84% reduction in our overall GHG emissions (Diesel, PMS, Grid Electricity and Compressed Natural Gas) in 2018 as a result of the implemented energy-saving initiatives. Due to business expansion, we have recorded an increase of 0.35% as of September 2019. Emissions are still being closely monitored and managed.
- We have screened the environmental impact of and have recommended mitigation measures for over 200 transactions within the Environmental and Social coverage sectors (Agriculture, Education, Health, Renewable Energy, Transport and Logistics, Manufacturing, Power, Oil and Gas, Real Estate and Construction).
- Since the inception of our waste recycling program, we have recycled a total of 18,351.03kg of recyclables (plastic, cans, paper, sachet, etc.) generated from business operations at our Head Office and Head Office Annex.
- The Integrated Waste Treatment/Biodigester System has been deployed to four additional branches this year.
- We marked the World Clean Up Day 2019 with cleaning exercises in various states across the country.

Action Plan

- An institutional carpooling programme that would reduce even further, our GHG emissions, is currently in development.
- Plans are currently underway towards the deployment of an automated metering solution to improve our energy consumption data gathering process and influence better carbon footprint management.
- The Bank is planning to implement and certify ISO 14001 – Environmental Management System (EMS) to improve our environmental performance in compliance with best practices.

ANTI-CORRUPTION

Principle 10

- *Businesses should work against corruption in all its forms, including extortion and bribery.*



Assessment, Policy and Goals

Financial crimes such as fraud, money laundering, and the financing of terrorism affect private individuals, companies, organizations, and even nations. These have a negative impact on the entire economic and social system. Sterling Bank has thus established robust mechanisms to prevent these crimes from occurring.

- o Sterling Bank is committed to ensuring that all associated anti-bribery and corruption procedures are embedded and understood throughout the Bank through internal and external communication and training.
- o Our Gift Policy establishes standards relating to the giving and acceptance of gifts, including gratuities or rewards across the organization. The policy is applicable to all Sterling Bank employees, directors, contractors, consultants, advisers and any person or entity acting at the instance of an employee of Sterling Bank and guides engagement with all stakeholders of the Bank which includes and is not limited to vendors, service providers, potential employees, Government officials, etc.
- o Directors and senior management are required to lead by example and to demonstrate the highest standards of integrity in carrying out their duties on behalf of the Bank.
- o We have a Disclosure policy that provides guidance on the disclosure of material information regarding personal or business inter-relationships involving one or more stakeholders of the Bank.
- o We have a customer acceptance policy that requires due diligence be performed and proper documentation id required of every customer at the point of establishing a relationship.
- o We have a Fraud Prevention and Detection Policy in place and we conduct annual fraud risk assessments for all credit requests.
- o We also have in place, an Enterprise Risk Management policy which establishes measures to check money laundering and the financing of terrorism.

Implementation

- o Sterling bank has set up an Anti-Fraud unit that runs a 24hour transaction monitoring service to ensure fraud prevention and early detection.
- o Our Operational Risk Management unit conducts annual operational risk and control self-assessments and also, see to the mitigation of fraud risks at all levels.

- o The Bank regularly sensitizes employees on the Whistleblowing Policy and welcomes employees, contractors, vendors, customers and any member of the public who has concerns about any inappropriate or irregular aspect of the Bank's operations, management's actions, or decisions to come forward and voice those concerns in person or anonymously. The concerns will be recognized wherever practicable, and subject to any legal constraints, such matters shall be dealt with confidentially.
- o We continuously conduct internal and external audit assessments of our processes and procedures.
- o All prospective customers are required to provide valid copies of all required documents at the point of onboarding.
- o Some of the other strategies put in place by the Bank to combat and prevent include;
 - Regulatory framework and responsibility structure.
 - Fraud risk assessment.
 - Regular fraud awareness engagements
 - Code of conduct and disciplinary measures
 - Anti-Bribery and Anti-Corruption Compliance Policy

Measurement of Outcomes

- o Sterling Bank's financial statements follow strict reporting standards and are assured by external auditors
- o We have a Board Audit Committee and a Statutory Audit Committee that ensure full oversight on the bank's accounting and financial reporting functions, its internal controls and audit processes, the independence of external auditors, review of audited financial statements and overall compliance with necessary legal and regulatory requirements.
- o All employees undergo periodic training on anti-corruption/ anti-money laundering policies and practices.

Action Plan

- o Appropriate training on anti-corruption will form part of the induction process for new hires while existing employees will receive regular training on the implementation and compliance with the Bank's anti-corruption policies and regulatory requirement.
- o The training offered will be proportionate to the risks of bribery and corruption that the Bank faces; the intensity of the training will be tailored to suit employees' functions.
- o The Bank's anti-corruption commitments shall be communicated to the Bank's third-party business partners at the onset of the business.



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