 **UN Global Compact**
Communication on Progress
2020

CEO's Statement of Continued Commitment

November 25, 2020

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

Dear Mr. Secretary General,

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

As a financial institution committed to the realization of the United Nations (UN) Sustainable Development Goals (SDGs), we subscribed to be a participant member of the 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 second 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 business operations and activities.

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.



Overview




BRANCHES

 **158**

ATM

 **935**

POS

 **10,667**

RATING

Moody's  **B2**

ASSETS

 **N1.2 Trn**

EQUITY

 **N109.5 Bn**

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 2020, there were 2,428 professionals and 1,546 support staff .

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

Total Assets: Over N 1.27 Trillion

Total Equity: N128.5 Billion

Credit rating: B2 Rating by Moody's

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

Channels: Over 158 Business Offices, 935 active ATMs, 10,667 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 (N1.27 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.

Our Purpose

"Enriching Lives"



For our employees, we strive to provide a motivating, safe work environment and career progression. Our goal is to build an organization that motivates and inspires all to achieve their full potential



To our customers, we place a premium on value enhancement in our relationships. We endeavour to improve turnaround time for transactions, enhance the service experience, and increase retail channels to ensure our services are within reach.



We endeavour to be responsive to the rules set and contribute to the achievement of a sound and stable financial services sector.



We aim to deliver strong ROE to investors without compromising the future.



We support and collaborate to improve the lives of the people in communities where we do business. 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.

Our Vision

"To be the financial institution of choice"



Our Mission

"We deliver solutions that enhance stakeholders' value"

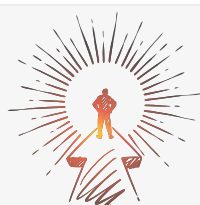


Employees



To provide a motivating, safe work environment and career progression opportunities to our employees

Customers



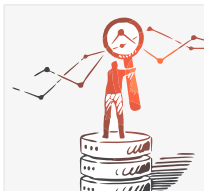
To improve turnaround time for transactions, enhance, and increase retail channels to ensure our services are within reach

Regulators



Be responsive to the rules set and contribute to the achievement of a sound and stable financial services sector

Shareholders



Delivering strong ROE to investors without compromising the future

Community & Vendors



Enter responsible business partnerships that helps to grow and improve the community and vendors

Our Core Values

C Customer Focus



- "The customer is king" Holistic understanding of the customer's business
- Creativity in meeting the customers' needs, both internal and external

T Teamwork



- "The success of one is the success of all"
- Seamless interface of all parts of the business

I Integrity



- Commitment, dependability, reliability and confidentiality geared towards winning the customer's implicit trust

E Excellence



- Commitment to excellence in all our engagements

Our Behavioural Codes

01 Be Passionate



Infect others with your thirst for excellence. Always crave the Sterling success

02 Be Impactful



Leave a long lasting positive impression by consistently achieving positive results that add sustainable value and enrich lives

03 Be Respectful



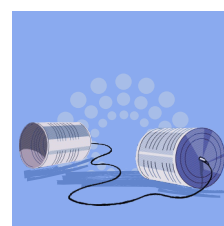
Consider how your words and actions impact others; treat everyone with dignity.

04 Be Ethical



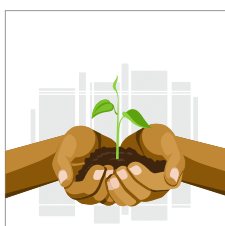
Avoid conflict of interest and personal gain. Adhere to policies

05 Be a listener



Listen carefully when others are speaking and try not to interrupt. be explicit in your speech and writing

06 Be Responsible



Own your mistake. Learn from it and learn to do better in the future

07 Be Tolerant



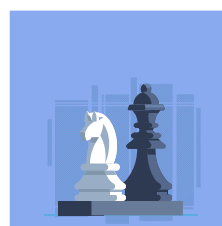
Step out of your comfort zone and seek to understand others

08 Be of Service



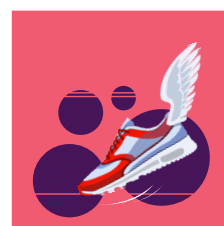
Seek what is best for Sterling always, rather than what works best for yourself or your team/group

09 Be a Leader



Demonstrate personal accountability by displaying behaviours and actions that reflect high professional standard

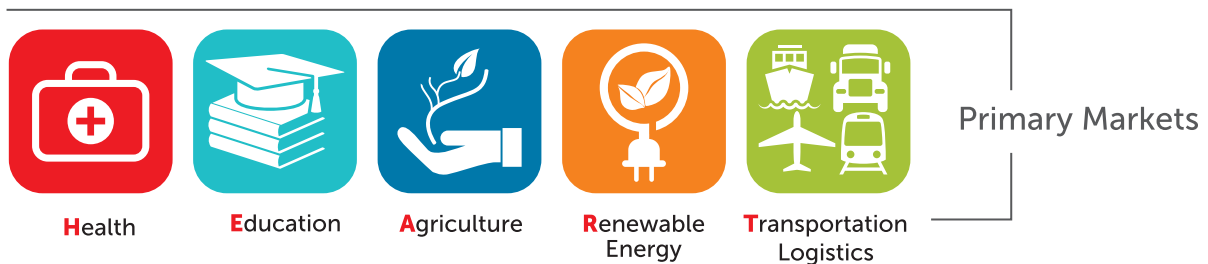
10 Be Agile



Responsive and adaptable at all times. Collaborate and share information and ideas as appropriate

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 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

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



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 for prospective investors to examine.

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/Trainings.



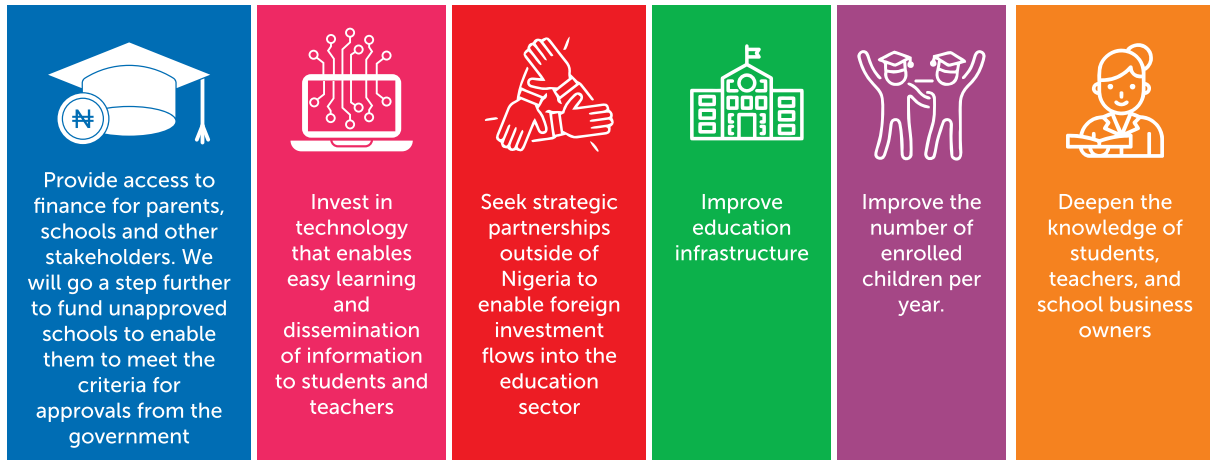
Encourage innovative cost-effective business models through our partnerships with other experts.

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. For us, given the realization that the government alone cannot cater to the large need of the population provides us with an opportunity.

By providing access and content we are aiming to:



AGRICULTURE



'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.



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 energy demand will increase. Already, the lack of adequate power supply cripples' industries and slows industrialization. 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. 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.

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. 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:



Trading

We intend to create a platform that enables the sale of renewable energy solutions between electricity generators, distributors and users.



Financing

Large projects that provide electricity to communities and businesses.



Creating Partnerships

to encourage the flow of foreign investments into the renewable space and bridge the service gaps which currently exist with the solutions. 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.

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 sector 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 that poor 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 adequate, properly and safely transported.
- Actively encourage the use of mass transit systems to reduce carbon emissions in line with our commitment to a cleaner environment



United Nations
Global Compact

The Ten Principles Of The United Nations Global Compact

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 continue to promote and improve the enforcement of the human rights requirements in line with country systems. We are committed to developing and sustaining a structure that upholds human rights and to the continuous improvement of our human rights protection and resolution mechanisms.
- Internationally-recognized standards and best practice such as the United Nations Declaration on Human rights as well as other internationally-recognized treaties to which the Federal Republic of Nigeria is a signatory are respected and upheld by Sterling Bank within our business operations and activities.
- Our Whistleblowing Policy enables the Bank's stakeholders to report acts of impropriety through our dedicated internal and external 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 ensure that our partners are not involved in activities that trample on the rights of their employees or members of the communities in which they operate.
- All employees sign the Bank's Code of Conduct form to affirm their commitment to abiding by the Bank's behavioural standards. All forms of harassment or bullying are intolerable, as Sterling is committed to ensuring that its employees are treated fairly and with respect.

- o As part of our commitment to support international best practice on upholding and promoting human rights and conducive working conditions, an anonymous and confidential grievance redress mechanism has been established, to address cases of bullying, fraud, sexual harassment, intimidation and community grievances.
- o Sterling Bank's Sustainable Banking Framework and the Environmental and Social Risk Assessment process ensures that transactions that employ forced or underage labour are not supported or financed.
- o E & S risk assessments are carried out to determine the human rights risks that are inherent in the business activities of our customers, vendors and third-party service providers, and to ensure that mitigation measures are recommended.
- o We conduct Internal Net Promoter Score surveys to obtain necessary feedback and identify areas with gaps across the various units within the Bank and ensure continuous growth and promote stronger relationships across the business.

Measurement of Outcomes

- o We have recorded zero cases of human rights violation.
- o 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. We continue to support the prompt resolution of identified grievances.
- o We carry out both internal and external customer surveys to obtain necessary feedback on our level of service delivery and to identify areas for improvement.
- o 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 to respect the rights of others.
- o We conducted a third-party E&S Risk training for our service providers and vendors to ensure they comply with international best practice on upholding and promoting human rights and conducive working conditions for their workers.
- o Over 200 credit requests within the Bank's Environmental and Social coverage sectors (Agriculture, Education, Health, Renewable Energy, Transport, Manufacturing, Power, Oil and Gas, Real Estate, Mining and Construction) are screened for human rights risks, and mitigation measures are recommended where applicable.
- o 135,259 customer and external community complaints were resolved via the Bank's Contact Centre complaint resolution mechanism, and 5 cases have been investigated on the anonymous Whistleblowing platform in 2020.

Action Plans

Sustainability Topics	2020 Action Plans (APs)	2020 APs Status	2021 Actions Plans
Third-Party Environmental and Social Risk management	Development of a Third-party ESRM assessment process	Completed	Increase and improve Third-party ESRM due-diligence
Human-Rights Framework	Plans are ongoing to embed a human rights framework into our code of conduct framework in line with global best practices to guide our staff, credit customers and vendors on the rights 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.	On-going	Integration of Human Rights frameworks into existing frameworks to improve human rights best practice in business operations and activities.
Sustainability Capacity Building	N/A	N/A	Development of sustainability capacity building materials for our Customers to better enlighten them on applicable Human Rights best practice.

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

- o Sterling Bank strongly condemns 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 on human rights protection, including the protection of the rights of children.
- o 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. The improvement and implementation of our Diversity and Equality policy continue to reaffirm our commitment to gender equality and to uphold and promote an inclusive workplace, where every employee can thrive irrespective of their gender, race, nationality, colour, religion, political opinion, social origin, disability or age. We will continue to employ innovative strategies to create an enabling environment for our people to succeed because the variety of experiences, skills and approaches that they bring is essential to drive performance and innovation.

- Sterling Bank's business partners, suppliers, third-party service providers and contractors are urged to embrace non-discriminatory policies and abide by national and international labour laws in their business operations and activities.
- It is our responsibility to provide a conducive working environment for our employees and customers via our Occupational Health, and Safety (OH&S) policy guides centred on prioritizing the health, safety, and wellbeing of our employees and customers. 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 hires 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 as we continue to offer equal opportunities to all employees.
- Maintained a 45% female representation within our workforce and striving to attain same at the 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 attaining 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 directly with our Chief Executive Officer.
- We have maintained the Sterling Behavioural Codes which personify our ethos to build a workplace that is safe and enabling for all - 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.
- The Bloom network which is an initiative aimed at promoting gender diversity and encouraging the leadership capabilities of women in the Bank has continued to implement programmes aimed at ensuring women are adequately represented in all decision making levels of the Bank.
- The Bank has maintained an Employee Health and Wellness desk within the Human Capital Group and a Health Insurance Scheme (HMO) for members of staff.
- To enhance a conducive work-life balance, we have instituted 4-month maternity and a 5-day paternity leave respectively, for new parents. Additionally, there is an on-site crèche to ease nursing mothers work-life balance.
- The Employee Assistance Programme has been maintained to offer workplace counselling benefits to employees where they have access to speak to professional counsellors at any time regarding various issues such as mental health regarding their personal to professional lives, and also helps our female employees settle well after maternity leave.
- In response to the COVID-19 Pandemic, we further institutionalized the shift work patterns and full remote options, mandating employees to work from their preferred convenient locations to ensure all staff are safe.

Measurement of Outcomes

- As of September 2020, 45.8% of our employees and 29% of our senior management staff are women.

- o We have held three (3) "Let's Talk with Abu" sessions virtually with over 3,000 employees in attendance for each session.
- o Although our on-site creche is temporarily shut down due to the COVID-19 pandemic, it can cater for thirteen (13) children.
- o A total of 969 employees have benefitted from the Employee Assistance Programme as at September 2020.
- o Forty-two (42) employees have embarked on maternity leaves and 66 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).
- o So far, the Bloom network has achieved the following
 - Organized mentoring programs which aim to deepen the support, retention, networking, and upward mobility of female employees.
 - Mentoring Certification of 26 senior female employees (Total number of mentors – 68)
 - Commencement of Batch 2 & 3 mentoring programs with 43 Mentors and 70 Mentees.
 - Celebration of International women's day with the following initiatives:
 - Webinar on 'Attaining Visibility' which equipped women with the knowledge of how to properly position and sell their value within the organization.
 - Visited the Lagos Girls' correctional facility to donate and provide positive role models to the society by giving motivational talks.
 - Webinar on 'Building Resilience' with 170 attendees (Given the volatile, uncertain, chaotic and ambiguous situation the world is currently in, we decided to focus on a practical skill that will serve employees now and in years to come).
- o In the 2020 Best Workplaces Awards Ceremony held on the 27th November 2020, we were awarded overall winners in Six Categories; Best Workplace to work in Nigeria (Large Corporate), Best in Leadership practice, Best Quality of Life, Best Fun and Friendly Workplace, Best in Corporate Social Responsibility and Excellence in Delivery of Inspiring People Practices
- o 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.
- o Dedicated clinical officers have been deployed to our Head offices and Head office annexe and are charged with delivering standard health care to employees on minor health issues. Furthermore, all employees have access to healthcare through the Bank's sponsored Health Insurance Scheme.
- o We have maintained a minimum of four (4) Safety Officers on each floor within our Head Offices. They are responsible for all Health and Safety related incidents and also coordinate health and safety awareness training and periodic fire drills. The Service Manager at all our Branches doubles as the Safety Officer.

Action Plans

Sustainability Topics	2020 Action Plans (APs)	2020 APs Status	2021 Actions Plans
Occupational Health and Safety Management System (OHMS) ISO 45001:2018 implementation and certification	Implementation and obtaining the ISO 45001:2018 certification to enable a systematic approach in managing employees' safety and wellbeing, in line with best practice as well as a view to enhancing productivity and the quality of work.	On-going	Occupational Health and Safety Management System (OHMS) ISO 45001:2018 implementation and certification
Occupational Health and Safety (OH&S) Capacity Building	N/A	N/A	Development of Occupational Health and Safety (OH&S) capacity building materials for customers and vendors to improve their OH&S performance in line with best practice.

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

Environmental Sustainability has been integrated into our business operations and activities and continues to influence our decision-making across the enterprise. Sterling Bank's commitment to reduce its ecological footprint continues to attest to our pledge to being nature's keeper.

Identifying, assessing, mitigating, and management of the negative impact of the environmental footprint will continue to form part of our enterprise risk management strategy.

- o Sterling Bank understands the importance of ensuring that its business operations are conducted (designed, constructed and operated) in such a way that they present a carbon footprint as little as possible.
- o 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 revolving target to reduce Carbon Footprint by a minimum of 5%.
- o As an environmentally-friendly brand, we have adopted and embedded an environmental sustainability culture into our waste management processes.
- o We continuously improve our Environmental and Social Risk Management (ESRM) within our business operations and activities in line with best practices and country systems towards the attainment of the Sustainable Development Goals (SDGs).
- o Implementation of the Bank's Third-party Environmental and Social Risk Framework focused on assessing and improving vendors and contractors sustainability performance.

- Our sustainability strategy includes investing in the HEART sectors that promote and contribute directly to the realization of the Sustainable Development Goals (SDGs).
 - Health - SDG 3: Good Health and Well-Being
 - Education - SDG 4: Quality Education
 - Agriculture - SDG 2: Zero Hunger
 - Renewable Energy - SDG 7: Affordable and Clean Energy | SDG 13 Climate Action)
 - Transport - SDG 11: Sustainable Cities and Communities

Implementation

- We have partnered with energy outsourcing vendors, to deploy hybrid power and renewable energy solutions to our branches to reduce our greenhouse gas emissions further and enhance economic sustainability.
- We have established a recycling programme 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 the initiative to more locations.
- We have deployed the 'Go Paperless' Initiative in addition to the 'Print as a Service' initiative to reduce bank-wide paper consumption, increase process automation and improve resource efficiency.
- The above performance is primarily attributed to the impact of the COVID-19 Pandemic
- We have deployed Integrated Waste Treatment/Bio-digester systems to treat all sewage and biodegradable fractions of Municipal Solid Waste (MSW) being generated at our 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.
- We have increased the usage of office 365 tools to drive remote work and improve enterprise collaboration.

Measurement of Outcomes

- A significant drop of 52.86% as at September, 2020 (6,982,702.012 KgCO₂e) was recorded in our greenhouse gas emissions (GHGs) on Diesel, PMS, Grid Electricity and Compressed Natural Gas consumption using 2017 as the comparison base year (14,811,964.12 KgCO₂e); this was primarily attributed to the COVID-19 Pandemic and the redefinition of our work pattern.
- Over 200 transactions within the Environmental and Social (E&S) coverage sectors (Agriculture, Education, Health, Renewable Energy, Transport and Logistics, Manufacturing, Power, Oil and Gas, Real Estate and Construction) were screened and managed for E&S risk.
- A total of 23,676 kg of recyclables (plastic, cans, paper, sachet, etc.) generated from business operations at our Head Office and Head Office Annex has been recycled from inception (November 1st 2016). We recycled a total of 3,701.3 kg waste generated from our Head Office and Head Office Annex in 2020
- We recorded a 47.8% reduction in paper (kg) usage for H1, 2020 (16,240.40 kg) against H2, 2019 (24,015.36 kg).

Action Plans

Sustainability Topics	2020 Action Plans (APs)	2020 APs Status	2021 Actions Plans
Institutional carpooling programme	An institutional carpooling programme that would reduce even further, our GHG emissions, is currently in development.	Suspended – Due to the further institutionalization of the Flexi-place and Flexi-time work pattern and the COVID-19 pandemic.	Suspended – Due to the further institutionalization of the Flexi-place and Flexi-time work pattern and the COVID-19 pandemic.
Deployment of automated energy meters	Deployment of an automated metering solution to improve the collation of energy consumption data to influence better carbon footprint management practices.	On-going	Deployment of automated energy meters to our business locations.
Environmental Management	ISO 14001 - Environmental Management System (EMS) certification to improve our environmental performance in compliance with best practices.	On-going	ISO 14001 - Environmental Management System (EMS) certification to improve our environmental performance in compliance with best practices
E&S Risk Monitoring Footprint	N/A	N/A	Integration of scenario-based analysis of climate risk impact on the Bank's activities and increase E&S risk monitoring footprint for credit facilities.
Environmental Management Capacity Building	N/A	N/A	Increase capacity building on environmental management best practices targeted at all our stakeholders.

ANTI-CORRUPTION

Principle 10

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



Assessment, Policy and Goals

Financial crimes which are not limited to fraud, money laundering and the financing of terrorism affect individuals, companies, organizations, and even nations. These impacts negatively on the entire economic and social system. Sterling Bank has thus established robust mechanisms to prevent these crimes from occurring.

- 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 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 applies to all Sterling Bank employees, directors, contractors, consultants, advisers and any person or entity acting at the instance of an employee of Sterling Bank. This policy also guides engagement with all stakeholders of the Bank, which includes and is not limited to vendors, service providers, potential employees, Government officials, etc.
- o The Bank has a Disclosure Policy that guides the disclosure of material information regarding personal or business inter-relationships involving one or more stakeholders of the Bank.
- o Implementation of a customer acceptance policy that requires due diligence to be executed, and proper identity documentation performed on all customers at the point of establishing a relationship.
- o An Enterprise Risk Management policy has been implemented which establishes measures to check money laundering and the financing of terrorism. Additionally, a Fraud Prevention and Detection Policy has been put in place, and annual fraud risk assessments are conducted for all credit requests.

Implementation

- o The Bank's Anti-Fraud unit runs a 24-hour transaction monitoring service to ensure fraud prevention and early detection.
- o Our Operational Risk Management unit conducts periodic Risk and Control Self-Assessments (RCSA) and also, sees to the mitigation of fraud risks at all levels.
- o The Whistleblowing Policy sensitization is conducted regularly for employees. It's focused on encouraging 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.

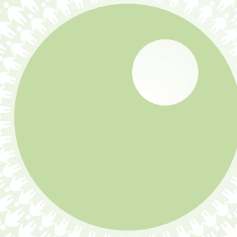
- o Periodic internal and external audit assessments of our processes and procedures to improve performance.
- o All prospective customers are required to provide valid copies of all the necessary documents at the point of onboarding.
- o Some of the other strategies put in place by the Bank to combat and prevent corruption, fraud and other financial crimes 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 There is 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 country systems.
- o All employees undergo periodic training on anti-corruption/ anti-money laundering policies and practices.

Action Plans

Sustainability Topics	2020 Action Plans (APs)	2020 APs Status	2021 Actions Plans
Anti-corruption Training	Appropriate training on anti-corruption will form part of the induction process for new hires, while existing employees will receive regular training on the Bank's anti-corruption policies and regulatory requirement.	Done	Maintain the anti-corruption training embedded in the Bank's induction process for new hires while existing employees will continue to receive regular training on the Bank's anti-corruption policies and regulatory requirement: the intensity of training offered will be tailored to suit employees' functions and will be proportionate to the risks of bribery and corruption faced.
Third-Party Business Partners	Communication of the Bank's anti-corruption commitments to the Bank's third-party business partners at the onset of the business	Done	We will continue to communicate our anti-corruption commitments to the Bank's third-party business partners at the onset of businesses or partnerships.



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