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Sustainability Report



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Executive Summary

As a growing and sustainable financial institution, we continue to raise the standard for responsible business practices. By investing in initiatives with significant social impact and contributing to the realization of the Sustainable Development Goals (SDGs), we have expanded our capacity to add value to our stakeholders.

A major challenge of 2021 was responding effectively to the emergence of the Omicron variant of COVID-19. We sustained the implementation of safety measures across all business locations, ensuring adherence to all COVID-19 guidelines.

For the year in review, the total sum invested in the health, education, agriculture, renewable energy and transportation (HEART) sectors was N116.7 billion. We also made significant contributions to these sectors via our Corporate Social Responsibility (CSR) initiatives. We donated over N50.8 million to various causes such as Robotics Centre Summer Camp Training, Ake Arts and Book Festival, Lasgidi Cultural Arts Exhibition, provision of 1st pipe-borne water facility to Dekina Local Government (Kogi State) and Sterling Environmental Makeover, which led to the adoption of 4 beaches in Lagos for a biweekly clean-up.

We contributed to promoting good health through monetary donations to the Success Ezeani Foundation, catering to over 300 families in Festac Town by providing medical care and food supplies for Christmas, and by

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Increased the number of solar-powered branches to 61 (over 40% of the Bank's locations), achieved a 7.73% growth in the deployment of solar-powered ATMs bank-wide, and recorded a 7.8% reduction in paper usage.

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launching a product called Healthbanc. Healthbanc makes it easier for low-income earners to afford health insurance which reduces fatalities from preventable diseases.

In the education sector, we keenly focused on empowering youths with employability skills, giving them the needed tools to build successful careers or create businesses with the potential to solve key national issues. Some of these initiatives include Ake Arts and Books Festival, Robotics Centre Summer Camp Training 2021, “Chess in Slums” Makoko Scholarship and the 2021 Boys to Men Inaugural Conference. Our financial contributions towards agriculture helped the Hope for Life Initiative to successfully mark the World Food Day in Lagos.

A campaign was launched to support the elimination of hunger in Africa and to spread ways to improve the livelihood of Nigerians. The event which had 150 attendees targeted financial institutions and various stakeholders, proffering solutions to hunger issues in Africa.

The 2021 United Nations Climate Change Conference (COP26) made clear calls for nations and companies, especially financial institutions, to do more to prevent a continual rise in global temperatures by integrating robust climate risk management strategies into their business activities and operations.

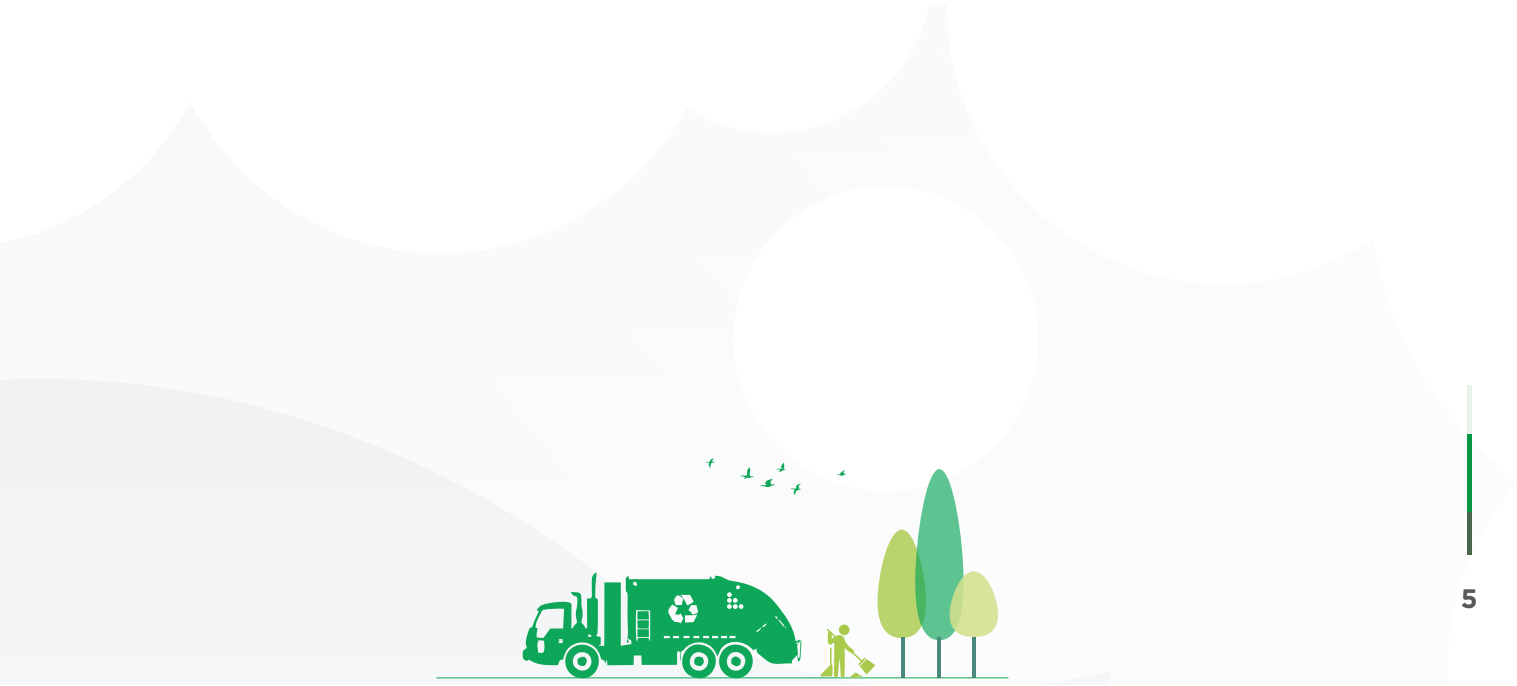
Nigeria also renewed its commitment to reach net-zero carbon by 2060 and made updates to the Nationally Determined Contribution (NDC) document, committing to reduce carbon emissions by 20% below business-as-usual (BAU) by 2030.

As part of our continuous efforts to use resources more efficiently to reduce our carbon footprint, we set a new target to minimise greenhouse emissions by 10% in the next 3 years. We increased the number of solar-powered branches to 61 (over 40% of the Bank's locations), achieved a 7.73% growth in the deployment of solar-powered ATMs bank-wide, and recorded a 7.8% reduction in paper usage.

Furthermore, the Bank has commenced the solarisation of the Sterling Towers, scheduled for completion in 2022. The project comprises the installation of a 955 kilowatts peak (kWp) Building Integrated Photovoltaic (BIPV) retrofit system and a 2.18 megawatt-hour (MWh) energy storage system to improve energy efficiency at the head office.

In 2021, the female representation within our workforce increased to 48%, and we strive to attain same at the senior management level in the coming years. The Bloom Network established the Sterling Women Development Programme (SWDP), which aims to prepare and equip phenomenal female employees with the right skills for leadership positions within the Bank. This initiative contributed to Sterling Bank emerging as the overall winner in 7 award categories, including the "Best Workplace to Work in Nigeria" at the 2021 Best Places to Work Awards.

Sterling Bank has always driven the agenda for female education. This was exhibited via one of our CSR initiatives: Greentech Girls' Summer Boot camp. Through the Sterling One Foundation, we sponsored training for over 40 secondary school-aged girls on solar energy technology, panel installation and modern farming practices. We also donated to Femme Africa, which focuses on creating spaces for young African women in the creative industry to collaborate with one another.



About This Report

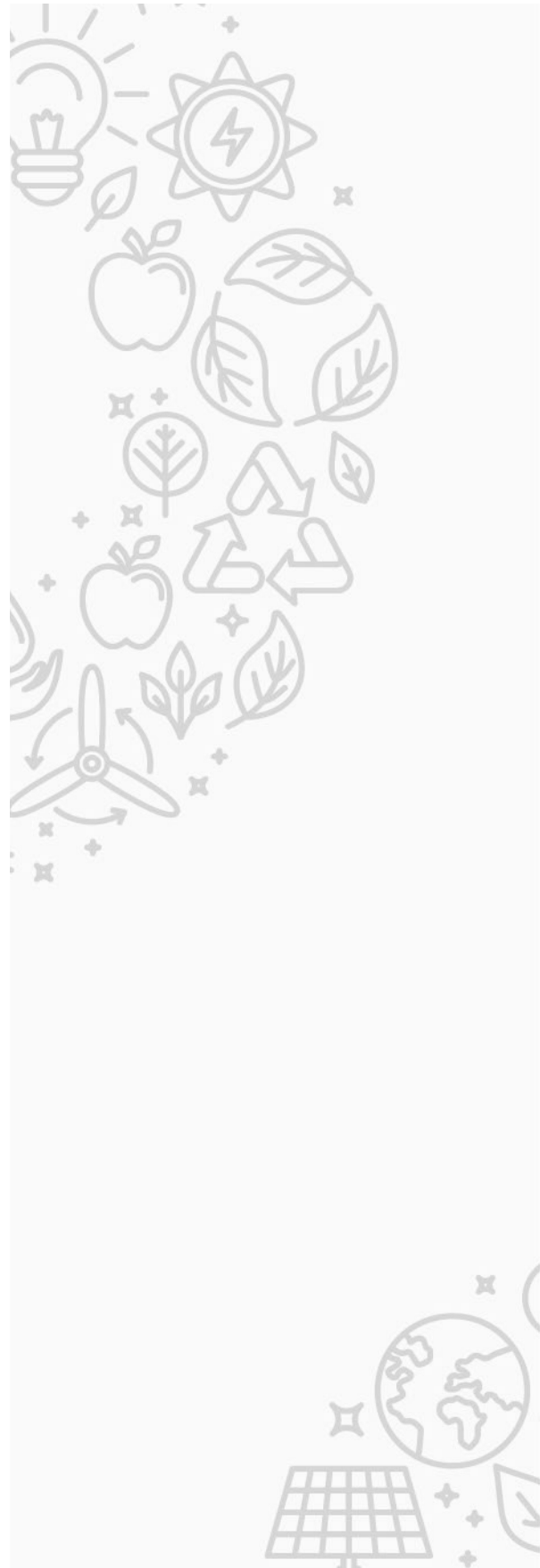
At Sterling Bank, we are proud of our business achievements alongside our significant strides towards being sustainably progressive. The growth of sustainability through environmental, social & governance (ESG) factors in the banking sector impact our efforts at tackling global climate risk issues and making better investment decisions.

These efforts have led us to attain several milestones, which we proudly share in this sustainability report that covers January 1 to December 31, 2021.

This report is prepared according to the Global Reporting Initiative (GRI) Standards: Core option. We also referred to other sustainability standards and guidelines adhered to during the discharge of our duties. These other standards also promote sustainable business best practices nationally and globally.

They include the Nigerian Sustainable Banking Principles (NSBPs), IFC Performance Standards, and the United Nations Sustainable Development Goals (SDGs).

KPMG conducted a limited independent external assurance on the report using the International Framework for Assurance Engagements and International Standards on Assurance Engagements 3000. The external assurance procedure included on-site visits, interviews with relevant KPI managers and verification of related documents and data.



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Chairman's Statement

I am excited to update all our stakeholders on our impressive sustainability journey. 2021 was a challenging year in many ways. Across the world, the critical issue was recovery from the COVID-19 pandemic and rebuilding our societies in a way that ensures the safety of everyone and prevents the recurrence of such a global lockdown. In essence, we focused on a more sustainable rebuilding of our societies.

The realization that an unprecedented incident can have such an extensive effect on the continuity of everyday life, has called for improved efforts to secure the future of our world.

The implication is that the critical stakeholders, especially businesses, must adopt a dynamic approach to how they define sustainability and work towards achieving it. The world is ever changing, and so must our understanding and approach to building and living in it. This has been at the core of our work at Sterling Bank in the past year: we have worked tirelessly to embed new thinking into our business to ensure its continuity and sustainability.

Fortunately for us at Sterling, our work in the past years has put us on the right trajectory to navigate a time such as this. The collaborations and partnerships we have built over the years have been pivotal to our business continuity and our ability to support our communities effectively. Our focus on the HEART sectors has also been further validated, even in these times. As a result, we have expanded our efforts to ensure that these critical sectors can serve the economy effectively, despite the negative effects of the pandemic. We have further strengthened our resolve to be doers - to roll up our sleeves and get involved in the work of building the future of our people.

In the health sector, we doubled down on our partnerships approach and helped to build processes and technologies to expand access to COVID-19 testing and treatment. We also remained committed to improving access to quality healthcare, medical technologies and capacity development. Furthermore, we are helping to build the future of education by enabling the creation of more digital learning channels for students at all levels across the country. In addition, we have continued to support the economy by expanding access to sustainable food and clean transportation.

Perhaps, one of our biggest milestones in 2021 is the kick-off of the solarisation of the organization's headquarters. As a pioneer of sustainability, we constantly explore cleaner ways to fuel our business, and the solarisation project is proof of these efforts. Our headquarters is the first of many physical locations that we intend to power sustainably in the coming years. By providing this proof of concept, we will help businesses of all types to understand the possibilities, processes and risks of adopting this approach to powering their businesses. As a bank, we are committed to supporting as many organizations as possible, in their sustainability pursuits.

Creating partnerships has remained an integral part of our work. We are deeply committed to finding the most relevant development partners and working with them daily to solve the pertinent problems within our communities. Sterling remains committed to the UN Global Compact and we will invest our time, people and expertise to achieving the goals of the initiative. We have also launched projects with other development organizations - including the World Bank - that aim to increase access to economic empowerment to marginalized communities and measure the corresponding impact effectively.

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The future of our ecosystems requires that we empower local innovations and create platforms for bright and entrepreneurial innovators to build impactful solutions. I firmly believe in finding local solutions, and this thinking permeates our organization. Hence, we remain devoted to providing platforms for innovation across our local communities. Through this ecosystem approach, we can connect the dots among various stakeholders and foster transformative collaborations to build even stronger solutions that solve problems holistically.

We will continue to empower employees at all levels to incorporate new and sustainable thinking into their

existing practices and processes. It is important for us at the highest levels of management to proactively create an enabling environment for our people to innovate rapidly and contribute their best to the future of the organization.

To achieve this, we will provide all the required support to our employees by exposing them to high-quality learning through platforms such as the UN Global Compact and building internal structures that enable the flow of great ideas.

Surely, building sustainable businesses is directly linked to building a sustainable economy. As an organization, our impact ethos is that a wealthy community creates a wealthy bank. Hence, we are firmly committed to helping our community grow wealth in a sustainable manner and in turn, growing our business. We recognize the impact of our work on all our stakeholders and we remain committed to our mission to deliver solutions that enhance stakeholders' value



Asue Ighodalo
Chairman, Board of Directors

Managing Director's Statement

The call for sustainability is more pronounced now than at any other point in human existence.

The global shutdown caused by the COVID-19 pandemic in 2020 revealed the drastic effects of human activities on the environment, from industrialisation to everyday commuting. The significant changes recorded, such as decreased air pollution and greenhouse gas emissions, have given policy makers and regulators greater insight into the threats against creating a sustainable world. Notwithstanding the ever-increasing pressure from regulators and stakeholders and the dynamic global business landscape, Sterling is deeply committed to creating a sustainable, locally and globally future. At the core of our strategy, we are aggressively pushing for a future that is focused on addressing sustainability issues linked to people, climate change, financial inclusion, women empowerment, and community development.

2021 marked significant progress for us towards addressing climate change. As a leading financial institution, we recognise the impact of our operations on the environment. Towards transitioning to a net zero carbon institution, we initiated a solarisation project at the Sterling Towers, our headquarters, by installing a 955 kilowatts peak building integrated photovoltaic retrofit system.

This efficient energy system, currently at 50% completion, is expected to deliver 10,500 MWh over 25 years. We have also reduced our carbon footprint by 40% since introducing our carbon footprint policy in 2017.

This is driven mainly by the reduction in the use of fossil fuels to power our operations, deployment of solar powered systems for our branches and automated teller machines (ATMs), and installation of more energy efficient and environmentally friendly heating, ventilation, air conditioning (HVAC) systems in our buildings.

Sterling remains committed to the people that are directly responsible for the successes recorded to date. From a diversity, equity and inclusion (DEI) perspective, we are actively taking steps to achieve our target of 50:50 male-to-female employee representation, bank-wide. Since 2020, our inclusivity drive has increased female representation within our workforce from 42% to 48%. We have also developed a dashboard that measures DEI targets and reports same to key stakeholders enabling a high level of accountability and transparency. In addition, we recruited 11 women into leadership roles across key divisions of the bank. We strongly believe that the Humans of Sterling are our key success factorB hence we are committed to an equal pay policy irrespective of age, religion, ethnicity, gender and gender identity, family status, disability, or any other status lines.

The need for community transformation continues to be a driving force for us at Sterling, as we believe that a wealthy community produces a wealthy bank. Through our active partnerships and collaborations, we funded and supported the execution of 24 projects focused on improving human capital and encouraging economic



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development and sustainability in local communities in 2021. Our community interventions in the year impacted over 1.1 million beneficiaries in Nigeria and an additional 1 million indirect beneficiaries across 27 African countries. In addition to these initiatives, we are rapidly expanding access to services through the deployment of financial networks – both digital and offline – to promote financial inclusion within underserved communities.

The last two years have brought to the fore both the fragility and resilience of the global economy. We are learning to accept change and to deploy innovative solutions to address seemingly new issues. In all of this, it is clear that we must become more responsible in our operations. At Sterling, we will continue to champion sustainable change for our organisation, communities, nation, continent and planet. For us, it is beyond a passion; rather, it is a lifestyle backed by bold actions.

Abubakar Suleiman
Managing Director/CEO



'Your One-Customer Bank

Basic Information

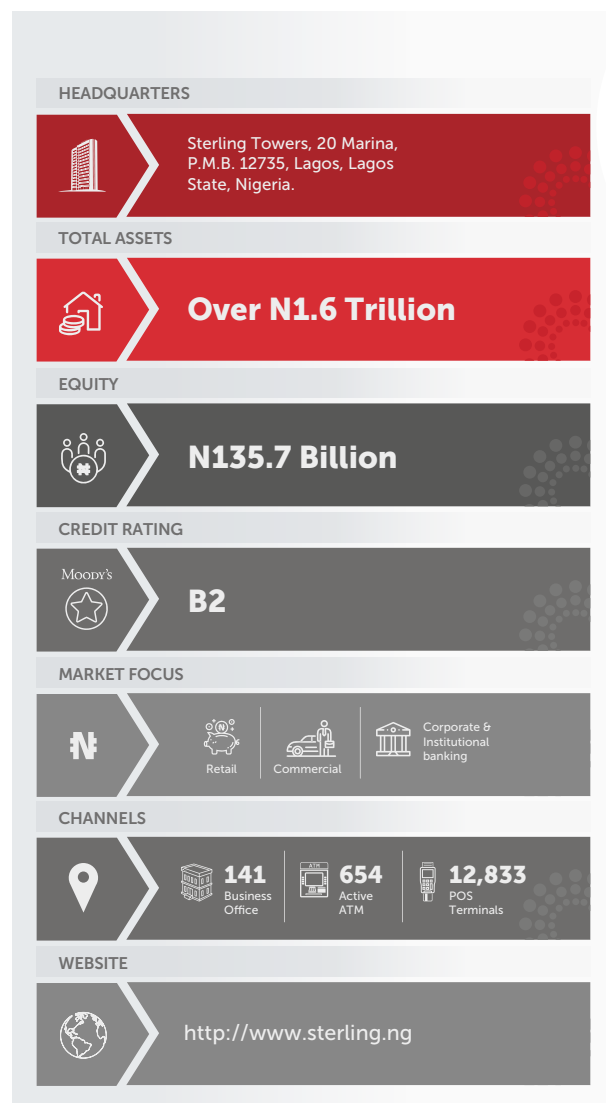
We have been in the Nigerian market since 1960. Our clientele cuts across individuals, corporates and institutions in Nigeria. We are a publicly listed company with more than 90,000 shareholders. As at the end of 2021, there were 2,443 professionals and 1,633 support staff employed in Sterling Bank Plc.

Overview Of Sterling Bank

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 (N1.29 trillion) and shareholders' funds in excess of \$300m.

Sterling Bank Plc. (Formerly NAL Bank Plc) has evolved from being the country's pre-eminent investment banking institution to a full-fledged financial institution with special interest in retail, institutional, commercial and corporate banking, trade services, investment banking activities and non-interest banking. Along with these, the bank also provides wholesale banking services, including 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. Sterling is committed to reaching out to these financially excluded individuals to ensure the realisation of the national, and indeed, global commitment to poverty eradication





Our Vision

“To be the financial institution of choice”

Our Mission

“We deliver solutions that enhance stakeholders value”

Core Values

Sterling Bank’s core values form the acronym – **C I T E**: ‘Customer focus’, ‘Integrity’, ‘Teamwork’ and ‘Excellence’. In line with this commitment, the Bank has instituted various mechanisms to ensure that employees display a high level of integrity and sound ethical behaviour.

Customer

At the centre of our business operations, are our customers. We recognise the individuality of our customers and do not believe in a one-size-fits-all solution to their diverse needs; therefore, all our efforts - products and services, accessibility, quality of IT infrastructure, service excellence and safety considerations are geared towards addressing the individual needs of our customers.

Integrity

We believe in transparency; and acting fairly, ethically and openly in all we do.

Teamwork

As a financial institution, we prioritise attracting and retaining talent, increasing our succession coverage, employee engagement, staff diversity and inclusion, skills development, performance and reward and ethical conduct.

Excellence

We value excellence in all we do and always strive to inculcate it in our decisions, whether in the economic, social or environmental aspects.



Ownership and Legal Form

Sterling Bank Plc (formerly known as NAL Bank Plc) was the pioneer merchant bank in Nigeria, established on November 25, 1960, as a private liability company and was converted to a public liability company in April 1992.

Following the consolidation reforms introduced and driven by the Central Bank of Nigeria (CBN) in 2004, the Bank emerged from the consolidation of NAL Bank Plc, Indo-Nigerian Bank Limited, Magnum Trust Bank Plc, NBM Bank Limited and Trust Bank of Africa Limited. As the surviving bank, NAL Bank Plc adopted a new name for the enlarged entity, 'Sterling Bank Plc'. The enlarged Bank commenced post-merger business operations on January 3, 2006, and the Bank's shares are currently quoted on The Nigerian Stock Exchange (NSE).

In October 2011, the Bank had a business combination with Equitorial Trust Bank Limited to re-position itself to better compete in the market space. In compliance with the CBN guidelines on the review of the Universal Banking model, the Bank divested from its four subsidiaries and one associate company on December 30, 2011. The Bank has 141 Branches as of December 31, 2021.

On April 1, 2018, Sterling Bank Plc appointed Abubakar Suleiman as the new Managing Director/ Chief Executive Officer, CEO. Before his appointment, he served as the Bank's Executive Director, Finance & Strategy.

Our Ratings

Sterling Bank ranks amongst the Tier 2 banks in Nigeria. The Bank has a long-term rating of BBB (NG) and a short-term rating of A3 by Global Credit Rating CO. Sterling Bank also received a Stable Outlook and a B2 Issuer rating underpinned by a B3 baseline Credit Assessment from Moody's, with a B2 and B3 rating on our local and foreign currency deposit ratings respectively. Our Moody's ESG rating is CIS 2. These ratings expire annually.

Employee Handbook

The Bank has a robust employee handbook that clearly defines acceptable behaviour and is binding upon all employees irrespective of level. The Sterling Bank Behavioural Codes are at the core of every transaction and represent the essence of our being - 'Your One-Customer Bank'.



Our Digital Assets/Products



Imperium

Light up your world with Imperium; our alternative energy platform created to offer solutions to light issues to enhance lifestyle. Solar power solutions, rechargeable inverters, and other alternative energy solutions are all available at affordable pay-back mediums to put a stop to worries about power issues.



PayWithSpecta

This is our ecosystem that brings merchants and buyers together. In addition to shopping online, this platform gives our customers access to credit and discounted services while improving business reach. For us, we are providing a seamless financial platform that caters to our customers' needs(both B2B and B2C).



Specta

Specta is an online lending platform that gives you loans of up to 5 million in one transaction all within 5 minutes! No collateral, no paperwork and no visit to any office.

With Specta, you can take care of urgent personal and business needs anywhere, anytime.



Switch

Our goal is to build a one-stop financial hub for customers to initiate and seamlessly complete both financial activities online or using mobile device solely with a minimal number (2/3 max) of clicks/taps. Switch will leverage on AI to understand and predict customer behavior, thereby creating a personalized customer experience.

The long-term plan for Switch is to become that intuitive personalized customer solution that is constantly adaptive to the customer's behavioral changes as well as provides an ecosystem for their lifestyle choices.



I-Invest

The growth of the middle class in Nigeria has provided the opportunity for growing investment portfolios. I-invest provides an unprecedented convenient opportunity for customers to make and manage investments in Treasury bills. Customers can invest directly on the app and track their investments to determine the interest gains, payout dates, and other important information. Since its launch, I-Invest has acquired over 30,000 customers with investments of over 3 Billion naira.



WhatsApp Banking

Digitization wouldn't be complete without the mention of social media platforms, as well as the popular 'everyone is on WhatsApp' phrase. Thus, our response to providing an alternative mode for easy banking is our WhatsApp banking platform.

All it takes is saying 'Hi' to the number 09060006449 and you could transfer money, buy airtime/ data, check account balance or generate a statement



TBH

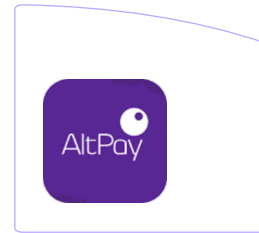
TBH, which means the Business hub, is our remodeled business banking solution/platform built to cater to all SME-related needs and wants. With a bouquet of offerings available for new businesses to already established businesses between 1-5 years, TBH is a haven for all entrepreneurs. Business registrations, tax advisory, website creation, and payment integration, online webinars, business coaching, office space lease are amongst the numerous benefits available on the platform.



GoMoney

GoMoney is a groundbreaking application that fosters mobile payments and promotes financial inclusion. It offers a digital wallet that enables users to make and receive payments using their phone numbers, email addresses, or bank account numbers.

It is an all-inclusive platform that brings increased ease and convenience to the payment process by ensuring easy on-boarding and lower transaction charges.



AltPay

AltPay is a mobile and retail internet banking solution with an omnichannel experience for Non-Interest Banking (NIB) customers.



AltMall

The Alternative Mall is a unique platform that offers all the features of regular e-commerce websites but also enables customers to make purchases with an option for deferred payments which can be made in installments. AltMall customers are pre-profiled or profiled at the point of purchase and when required, can access credit to complete transactions. The platform is embedded with a credit logic that considers all regulatory checks and customers' eligibility criteria. Ultimately, it offers customers ease and flexibility in the online marketplace.



OneBank

OneBank is a one-stop-shop for all banking needs without interaction with any physical entity. It is a unique financial solution; an app with lifestyle-enhancing features to make individual financial experiences memorable. With OneBank, customers can save or inculcate the habit of saving, investing. They can make local or foreign transfers, schedule payments, start a monthly contribution or refer and earn. This financial solution was built to eliminate contact with brick and mortar structures, with all your financial needs preempted and auto-ready to give you the best banking experience.



Double

This is an annuity savings product that offers beneficiaries financial stability. It provides a unique opportunity to literally double any amount saved.



OneWoman

Banking in a woman’s world requires more than the ordinary/basics and that’s why OneWoman was created. Experience the finest tailor-made banking to suit a woman’s lifestyle ranging from special discounts on loans for personal use, partnerships for businesses as well as household enhancement offerings to make every woman live their dreams and achieve success all-round. Women can rule the world with OneWoman.



SlickHustle

Artisans are everywhere but instant access to them at a very affordable price is what SlickHustle offers. SlickHustle also offers reliability and quality of service for your hard-earned money on any of the services required. The comfort of registration and payment also brings an edge to the ever-changing phenomenon with the blue-collar individuals in an ever-changing economy.



822

Banking should never be a difficult thing and that’s what the USSD is all about. With a set of unique three numbers, 822, our customers can do what they want such as buying data or airtime, money transfers, check account balance, block their accounts, or even set their transaction limits. Simplicity at its best, resulting in a magical banking experience is what is expected with a *822# on any cell phone and network across Nigeria.



OnePartner / 3PA

OnePartner is a referral scheme available for everyone willing to partner with our organization. It could pass for an alternative means of generating income for individuals willing to refer accounts to our Bank in an easy registration process which involves generating a referral code, all available on the OneBank app.



OneHome

OneHome is a housing finance loan scheme designed to cater to all housing needs such as paying rent, property lease, or tenant background checks for landlords and agents. With affordable interest on loans, OneHome offers the biggest solution to housing problems for all individuals across Nigeria.



OnePay for Business

OnePay for Business provides access for instant payment with a promised convenience for both customers and merchants. Customers can pay with QR codes or payment links generated to facilitate easy payment and verification. Nearby payments can also be carried out with the locator payments feature that generates a bluetooth-like initiation for instant remuneration. OnePay for business offers ease of payments for business owners.





FarePay

The urban transportation sector is critical to the expansion and efficiency of cities globally. At Sterling, we consider this a critical sector and have played the lead role in financing the most effective and organized urban bus service in the country today. We developed FarePay to facilitate seamless payment of fares in the transport system. FarePay processes payments using a contactless card system that ensures efficiency in the payment and collection process. Since its launch, over 11,000 cards have been issued with a transaction volume of over 25 million Naira.



SMEXclusive

'All about Business' remains an underlying tone in every of our proffered solutions to financial situations, especially from small-scale business owners' point of view. Hence, our offerings such as business accounts free of bank charges for one year, tax advisory and business registration, business loans, office space lease, international trade advisory, business diagnosis, are some of the benefits available to all endearing business owners under our SME offerings.



EveryNanny

EveryNanny was created to spell out the difference between a house and home, which is the comfort /peace and aura available in the latter than the former. Designed to deliver the very best of services for child care, old parents care, and general household care, EveryNanny allows a balanced all-around lifestyle enhancement.



SocialPay

SocialPay bridges the gap between business owners and customers with respect to payment for goods and services as well as receipt of goods bought. Built to reassure trust and ensure smooth payment for goods sold.

Socialpay offers the extra security needed for both parties involved as well as a long-lasting memorable purchase experience. With its easy registration feature, SocialPay allows the creation of payment links as well as an Escrow management system to monitor business transactions for business owners.



SABEX

SABEX is a digital commodity exchange powered by block chain technology. SABEX is built to facilitate the exchange of agrocommodities by building an ecosystem of buyers, financiers, warehouse operators and other players in agrocommodity trading across Nigeria. On SABEX, traders – typically farmers – can pledge their warehouses as collateral to access instant loans to facilitate the growth of their business.

2021 Awards



The Victor Ligbagbo Award for Best Workplace for Millennials, 2021

Great Place To Work Institute.



Best in Maximizing Human Potential (Large Corporates), 2021

Great Place To Work Institute.



Best in Building a Culture of Innovation (Large Corporates), 2021

Great Place To Work Institute.



Best in Delivering Organizational Ethics (Large Corporates), 2021

Great Place To Work Institute.



Best in Leadership Effectiveness (Large Corporates), 2021

Great Place To Work Institute.



Best Workplace to Work in Nigeria (Large Corporates), 2021

Great Place To Work Institute.




Best in Promoting High-Trust Culture (Large Corporates), 2021

Great Place To Work Institute.



Sustainability Journey

2014 highlights




Established a sustainable banking unit under the enterprise risk management group to oversee the Nigerian Sustainable Banking Principles (NSBPs) implementation.



Establishment of a Sustainability Working Group with representatives from all strategic business units (SBUs) within the Bank.




Develop a compendium of policies and frameworks to institutionalize the adoption of best-practice sustainability principles.



Commencement of the environmental and social risk assessment of credit transactions under the agriculture, oil & gas, and power sectors.




Established a 5-year sustainability implementation plan.



Extension of our waste management partnership to six (6) additional states.




Organization of the 1st edition of the Sterling Environmental Makeover Volunteer Programme.




Launched the 1st edition of our sustainability stakeholders summit.

2015 highlights



Published our 1st standalone sustainability report



Commencement of carbon footprint computations and assessments.



Established an internal reporting portal (sustainability reporting portal) to capture and analyse sustainability metrics such as energy consumption, paper usage, water usage, waste management etc.



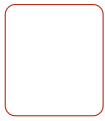
Established an MSME Academy to provide training and financial services to micro, small, and medium enterprises.



Deployment of a compressed natural gas plant at our Sterling Towers location.



Inclusion of sustainability capacity building in staff recruitment training.



2016 highlights



Commenced the onsite environmental & social risk assessment of credit requests.



Launched the e-money box to encourage children's savings culture and financial literacy.



Successful adoption of a waste recycling initiative at the head office, Sterling Towers, in partnership with LAWMA and Wecyclers Limited.



Commencement of Uber for business service, which reduced the acquisition of company fleet by 27%.



Launched the market women quick cash scheme in Kaduna, in partnership with Afrigrants, where over fifty (50) women were trained on financial literacy.



Established a "flexi-plan" and "flexi-place" initiative for staff to achieve a desirable work-life balance.



Commencement of a tree planting campaign where over 700 trees were planted to help tackle desertification in the northern region of Nigeria.




2017 highlights




Launched our "One Woman" proposition – an initiative focused on supporting women in business by granting them access to market and finance.



Commenced the implementation of paper consumption reduction strategies such as "print-as-a-service".



Established a recycling competition to create further awareness around waste management practices such as recycling and upcycling. In the maiden edition, four (4) winners from the four (4) geo-political zones were awarded N1million each for creating unique sculptures and artworks from recyclable materials.




Implemented a medical insurance scheme for staff with leading health management organizations (HMOs) to enhance qualitative medical care.



Extension of waste management partnership to ten (10) states, providing branded kits for over 10,000 street sweepers as part of the initiative.




Awarded the Bank of the year in women economic empowerment as the 1st edition of the 2017 Nigeria Sustainable Banking Awards organized by the Central Bank of Nigeria (CBN) and the 2017 Nigeria Sustainable Banking Awards for Financial Inclusion organized by SERAS-CSR Awards.




Commemorated world environment day by encouraging all staff to plant a tree, and the organization of an event to recognize and award several environmental champions.

2018 highlights


 Expansion of our environmental and social (E&S) risk assessment to eight additional sectors.

 Deployment of hybrid power and renewable energy to twenty-five (25) additional branches, bringing the total number of branches on hybrid power and renewable energy to 46.

 Commissioned about 130 solar-powered Automated Teller Machines ATMs bank-wide


 Disbursed N89billion worth of credit and other financial products to four (4) key sectors that directly contribute to the achievement of the United Nations Sustainable Development Goals (SDGs) - Health, Education, Agriculture, and Transportation.


 Expansion of our waste recycling initiative to our head office annex location, where we recorded a 20.66% increase in categorized waste recycling from 6,432kg in 2017 to 7,761kg in 2018.


 Achieved a 1.84% reduction in carbon emissions by reducing the usage of diesel, petrol, and compressed natural gas (CNG) by 8.72%, 2.48%, and 71.78%, respectively.

 Provision of over N2.88 billion grants to over 650 micro, small, and medium scale (MSMEs) businesses.

 Disbursed 2,381 retail loans with a value of N2.2billion to women (MSME, Individual, and Specta) as part of our commitment to women economic empowerment.

 Expended N764million on employee capacity building.

 Established a set of distinct behavioural codes for employees as part of our efforts to drive organizational change.

 Invested N299.1million in community development initiatives.




2019 highlights



Allocated 15% (N93billion) of the entire loan portfolio to the HEART (Health, Education, Agriculture, Renewable Energy, and Transportation) sectors that directly contribute to the achievement of the Sustainable Development Goals.




Provision of over 13,900 credit facilities to women with a corresponding value surpassing N10.865 billion.




67.14% increase in transaction count screened for environmental and social risk.




Over 7.632 billion credit granted to over 1,200 micro, small, and medium scale (MSME) businesses.



10.87% increase in the number of female employees in the workforce, increasing the percentages of female employees in the workforce to 42%, with 32% and 25% representation at senior management and board levels, respectively.




Expended N827million on employee capacity building.




Commemoration of the world clean-up day with environmental clean-up exercises in Lagos, FCT, Oyo, Kwara, Rivers, Plateau, Gombe, Kaduna, Kogi States, amongst others.




Over 112% increase in categorized waste recycling from 7,761kg in 2018 to 16,489kg in 2019.



N245.8 expended on community initiatives.



Deployment of integrated waste treatment/biodigester systems to additional three (3) locations.











17.5% increase in the number of business locations on the hybrid power model.

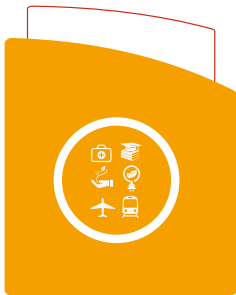


1480 man-hours devoted to volunteering activities.

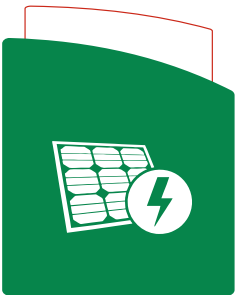
2020 highlights

-  N93.5 billion invested in the five (5) focus sectors – Health, Education, Agriculture, Renewable Energy, and Transportation (HEART) sectors.
-  6% increase in PAT from 2019
-  N250 million relief funds donation to the federal government to fight against COVID-19
-  54.17% reduction in carbon footprint
-  6.5% increase in customers' deposits from 2019
-  Launched a social impact crowdfunding platform "giving.ng"
-  Implemented a human rights framework within the bank's diversity, equality and inclusion policy.
-  Establishment of "The Bloom Network" to support women empowerment

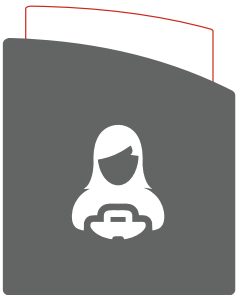
Key 2021 Highlights



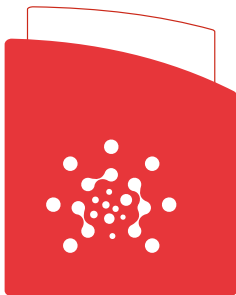
Over 20% increase in investments from N93.5 billion in 2020 to N116.7 billion in 2021 in the five (5) focus sectors – Health, Education, Agriculture, Renewable Energy, and Transportation (HEART) sectors.



Initiated a solarisation project at the Sterling Towers that comprises the installation of a 955 kilowatts peak (kWp) building integrated photovoltaic (BIPV) retrofit system, which will source cleaner energy from the sun to power the towers.



Increased female investments led to our emergence as Nigeria's best company in investments in women as employees and entrepreneurs in Equileap's gender gap assessment of the 30 most capitalized companies listed on the Nigerian exchange.



Launched a paperless drive campaign which has contributed to a 7.8% reduction in paper usage bank-wide.



Increased the number of branches powered by solar energy to over 40% from 36% in 2020.

Sustainability Governance

Corporate Governance

Within our organization, the Board Governance, Nominations and Remuneration Committee is the highest body of the Bank responsible for monitoring compliance with the Bank's code of ethics and business conduct for directors and staff. In line with the regulatory requirements of our industry, we are guided by the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks in Nigeria (2014) and the Securities and Exchange Commission (SEC) Code of Corporate Governance.

Sterling Bank's corporate governance document outlines corporate governance policies and clarifies governance structures throughout the Bank.

The following are the governance units within the Bank:

- The Board of Directors
- The Executive Committee

The Board of Directors

The board of directors of Sterling Bank is elected by, and accountable to, the company's shareholders for the appropriate and effective administration of the Bank. Their primary responsibility is to encourage the company's long-term success, consistent with its fiduciary responsibility to the shareholders. Their overall responsibility of approving and ensuring the implementation of the environmental and social risk framework has been delegated to the Board Risk Management Committee (BRMC), which has oversight responsibility of implementing the policy framework. The board has three committees: the governance committee, the audit and compliance committee and the risk committee.

The Executive Committee (EXCO)

The Sterling Bank Executive Committee meets monthly and manages the Bank's daily operations. The EXCO is responsible to the board and plays an important role in the Bank's corporate governance structure. The EXCO

manages the broad strategic and policy direction of the Bank, submits them to the board for approval where necessary, and oversees their implementation.

Appropriate sub-committees are also set up, either on a permanent or ad hoc basis, to handle issues as they arise.

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Environmental & Social (E&S) Governance

The Bank ensures transparent governance by clearly defining roles and responsibilities, reporting on and accounting for the Bank's performance, the progress of implementation, and assessment of E&S governance of our major clients.

The Executive Management

Executive management provides the Environmental and Social Risk Management (ESRM) direction and approves all policies and guidelines on sustainable banking. The chairperson of the Management Risk Committee (MRC) is responsible for the overall commitment of the Bank towards the implementation of the Nigerian Sustainable Banking Principles (NSBPs). In cases of unresolved E&S issues or non-compliance associated with a transaction that cannot be resolved by the loan officers/relationship managers, the EXCO determines the appropriate course of action to follow to reduce the Bank's potential exposure to Environmental and Social risks.

Sustainability Working Group (SWG)

The Chief Risk Officer and members of the Sustainability Working Group are responsible for leading the Bank's effort at implementing the ESRM policy, as well as communicating with senior management on environmental and social concerns. The sustainability unit develops and updates the procedures and documents that make up the Bank's ESRM System. The unit also evaluates the environmental and social risks at the portfolio level and helps loan officers/relationship managers in assessing and monitoring the environmental and social performance of customers.

Relationship Managers & Loan Officers

The relationship managers and loan officers are responsible for the adherence to ESRM procedures and framework at the transaction level. They manage Environmental & Social (E&S) risk impacts and ensure recommended E&S action plans are implemented by the customers within agreed timelines. They decide if E&S risks are acceptable to the Bank's overall exposure to risk before proceeding with a transaction.

Legal Department

The Legal department ensures that the Bank's environmental and social risk terms and conditions are incorporated in legal agreements for transactions within the E&S coverage sectors. Non-compliance with E&S clauses constitutes a breach of contract and is considered an event of default under the terms of the facility agreement.

General Internal Services Department

The general internal services department drives the Bank's engagement with vendors and is the first point of contact, especially for branch expansion. They drive the processes for waste management, procurement management, paper re-usage, power and energy reduction towards ensuring that the Bank's operations are environmentally friendly and compliant with sustainability guidelines.

Human Resources Department

The human resources group drives the human rights, women empowerment, and capacity building of the ESRM and other social issues concerning the Bank's employees.



There are several ways by which grievances can be communicated to the Bank.

These are:

Option 1

Through the KPMG ethics line.

External email:

kpmgethicsline@ng.kpmg.com

Toll free numbers for calls

from MTN numbers only:

0703-000-0026; 0703-000-0027

Toll free numbers for calls

from Airtel numbers only:

0808-822-8888; 0708-060-1222

Toll free numbers for calls

from 9mobile numbers only:

0809-933-6366

Toll free numbers for calls

from Glo numbers only:

0705-889-0140

<https://apps.ng.kpmg.com/ethics>

Option 2

Existing Reporting Channels Internal email:

whistleblowing@sterling.ng

Hotlines:

0807-609-3058; 0807-529-2143

(Charges apply)

Brand Marketing & Communications Department

The brand marketing and communications department communicate the Bank's sustainability initiatives and achievements to build capacity and create awareness to internal and external stakeholders

Propositions & Products Department

The propositions & products department develops sustainable products that target women economic empowerment solutions, green products, as well as the promotion of financial inclusion.

Ethical Conduct

We regularly circulate the Bank's disciplinary code - extracts from the employee handbook and information on ethics - which educates employees on acceptable behaviours in the workplace and those that are not. We ensure that high ethical standards are maintained in every aspect of our business. The penalties for violations are also clearly defined. Appropriate structures are in place to deter violations, punish offenders and reward compliance.

Whistleblowing

The Bank regularly sensitizes employees on the whistleblowing policy and welcomes employees, contractors, vendors, customers and members of the public who have 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.

Sterling Bank has a comprehensive whistleblowing policy that protects whistle-blowers from victimization and harassment. We have dedicated whistleblowing emails and hotlines through which employees and external stakeholders can anonymously report cases of ethical failures within the workplace, as permitted by all necessary legal and regulatory provisions. All reported cases are viewed fairly and objectively. No level of employee is exempt from being reported. All reports are handled quickly and discreetly, with the information made available only to those that need to know, for investigative and resolution purposes.

Disciplinary Process

The Bank has instituted a disciplinary committee which is guided by a sanctions grid that ensures each employee is protected against unfairness or victimization and enables the organization to maintain its policies and procedures in its operations. The sanctions grid details the processes and procedures for disciplinary and grievance management within the Bank.

The disciplinary committee is made up of two separate committees:

- Human capital disciplinary committee: handles non-ethical, non-fraud related and HC based issues, i.e. insubordination, grievances, victimization, bullying etc.
- Staff disciplinary committee: deals with ethical, fraud and significant risk issues.

Gift Policy

The gift policy establishes standards for evaluating the exchange of gifts (including gratuities or rewards) and expected behaviours as we translate our values into actions to enable us to compete in the marketplace and engage with our stakeholders professionally. It also promotes transparency and fairness.

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.

Behavioural Codes

The Bank has also come up with distinct behavioural codes that reflect specific attributes that Sterling Bank employees are expected to exhibit in their daily interactions with internal and external stakeholders. Workplace behavioural codes are necessary to drive civility, maintain decorum and achieve optimal productivity in the workplace. At Sterling Bank, we want to enable a productive and harmonious working environment where staff can be inspired to achieve their full potential. The behavioural codes empower employees' alignment with the Bank's organizational culture and are geared to improve performance through prescribed behaviours.

**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 mistakes.
Learn from it and aim
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



Sustainable Performance

Codes, Standards and Guidelines

The following codes, standards and guidelines underpin the bank’s approach to sustainable governance:

United Nations Global Compact (UNGC)

As a participatory member of the UNGC, adopted on December 2018, Sterling bank is committed to integrating the UNGC ten principles with its corporate strategy, culture, day-to-day operations and even our supply chain. We will also work to raise awareness and understand how the financial sector impacts society, and how a shift in priorities is crucial for the sector industry to remain relevant and legitimate.

Sustainable Development Goals (SDGs)

Sterling Bank continues to make positive contributions to the realisation of the SDGs as they continually guide our strategies.

International Finance Corporation (IFC)

Sterling Bank adopted IFC performance principles in assessing E&S risk in credit transactions in 2015. We have updated and aligned our systems and processes to be consistent with the IFC performance standards and World Bank Group Environmental Health and Safety (EHS) Guidelines.

Wolfsberg Group

Sterling Bank PLC complies with the group’s anti-money laundering standards.



Towards Sustainable Financing and Economic Growth

Our purpose at Sterling is to enrich lives. We believe that we can only grow bigger by involving our community in our growth. 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 approach, thus providing an opportunity for organizations like ours.

At the core of our business is the commitment to improving lives and encouraging economic development as well as sustainability. Growth in the economy will call for more specialized and complex

financial interventions, leading to growth in other financial services outside of commercial banking.

At Sterling, our unwavering commitment to sustainability ensures that we continuously focus on building long-term value in our business strategy and operations. Our relationship with customers, communities and other stakeholders, our business practices and our use of the resources around us are all directed towards enriching lives.

As a best-in-class responsible Bank, we are deeply engaged in providing innovative financial solutions that will contribute to the realization of the Sustainable Development Goals (SDGs).

Target markets



Heart Strategy

We unveiled the HEART sectors in 2017, driven by our desire to provide a wider range of financial products and services that would create significant positive economic, social, and environmental impacts in the communities we operate.

The HEART sectors have greatly facilitated growth in our business regardless of the state of the economy. We remain focused on empowering all players across these spaces, providing them with access to information, markets, and capital to promote businesses. In 2021, we strengthened our efforts from the previous years and expanded our competencies to add value to the various HEART sectors, strategically partnering with businesses at all levels. Generally, our investments in the agriculture and transportation sectors are greater, but following the COVID-19 pandemic and its omicron variant, our investments in the health sector also increased, while we continued to build our expertise across the other sectors.

Our overarching strategy for HEART comprises:

1. Partnerships to enable us to build an ecosystem that fosters collaboration, thereby improving information flow and ensuring business enablement.
2. Finance to help grow and scale the business models encountered across each sector.
3. Technology to improve margins and efficiency as well as create new business models for our organization, partner organizations and sector businesses.

In our areas of operation, we will improve human capital and encourage economic development and sustainability. Thus, we are guided by the realisation

that for social development, we require:

1. a functional healthcare system supported by a clean environment
2. a sound educational system fed by an agricultural sector that ensures food security
3. adequate power generation and a robust transportation system to move all economic resources.

With the commencement of 2022, we will ensure that in our areas of operations, we improve human capital by grooming more SMEs and encouraging economic development and sustainability. Through investments in technology, we will continually create platforms to enable global discussion and collaboration across the industry sectors as we realize that we cannot solve all the problems in isolation.

HEART Sector Investments:

The total sum invested in the five (5) focus sectors as of 2021 year-end was N116.7 billion, further shown below:

Sector	Amount (N'm)
Health	3,137.8
Education	1,397.6
Agric	76,727.9
Renewable Energy	7,215.6
Transportation	28,239.4

Financial Year Performance Highlights

In Billions of Naira	2021	2022	% Change
Gross Earnings/Revenue	142.32	138.90	+2.46
Net Operating income	87.30	81.69	+6.87
Defined contribution plan (pension)	0.014	1.33	-99.99
Wages & Salaries	0.159	13.51	-98.8
Total operating expenses	72.8	69.31	+5.04
Income tax expense	0.96	1.13	-15.04
Profit After Tax	13.52	11.24	+20.28
Deposit from customers	1,208.75	950.84	+27.12

Environmental Sustainability

The 2021 United Nations Climate Change Conference (COP26) prompted calls for corporate action and a clearer consensus for nations to do more to prevent a continual rise in global temperatures, especially for financial institutions to integrate robust climate risk management strategies in credit risk management.

Nigeria also renewed its commitment to reach net-zero carbon by 2060 at COP26. This commitment followed the recent updates made in the Nationally Determined Contributions (NDC) document in 2021; where Nigeria committed to mitigating four greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs), and recommitted to reducing carbon emissions by 20 per cent below business-as-usual (BAU) by 2030.

As a responsible financial institution, Sterling Bank strives to lead by example through effective integration and management of environmental sustainability into its business operations and activities and by making sustainability considerations a fundamental part of everyday decision-making.

Environmental and Social Risk Management (ESRM)

The Nigerian Sustainable Banking Principles (NSBPs) continues to enhance economically viable, socially equitable, and environmentally sustainable practices within the banking sector. In compliance with ESG country systems and best practice, such as IFC (International Finance Corporation) performance standards, we have maintained our continued commitment to improving our environmental and social risk management system (ESRMS).

Our ESRMS ensures that the E&S and climate risk impacts, such as extreme weather, environmental degradation etc., on activities financed by the Bank are managed within acceptable limits. We will continue developing the capacity to identify, assess, mitigate and manage the inherent E&S and climate risk the bank

is exposed to, which could lead to credit, liability and reputation risks.

Environmental and Social (E&S) Integration in Lending

The Nigerian Sustainable Banking Principles (NSBPs) A total of 296 transactions within the E&S coverage sectors (agriculture, education, health, renewable energy, transportation & logistics, manufacturing, power, oil & gas, real estate, and construction) were screened for environmental and social risk, with recommended mitigation measures communicated to customers in their loan covenants.

We have maintained our commitment to ensuring that our lending decisions meet the tripod objectives of not only economic viability but environmental responsibility and social relevance. Our robust environmental and social risk management system, which is well embedded in the Bank's lending processes and enhance our responsible banking objectives.

Carbon Footprint Management

The management of our emissions is important to us. Over the years, we have developed policies and systems that have enabled us to monitor and reduce our business operations' carbon footprint efficiently. Greenhouse Gas (GHG) emissions remain a significant environmental impact from our business operations and activities via fossil fuel combustion to power our business locations and business travels.

To address this, our carbon footprint policy underscores our commitment to reducing greenhouse gas emissions, in which a 3-year target was set in 2017 to reduce our carbon footprint by a minimum of 5%. This target was eventually achieved and surpassed in 2020, which was largely attributed to the COVID-19 pandemic that disrupted businesses and physical movement, in addition to other initiatives such as "flexi-plan" and "flexi-place" for employees. In the same

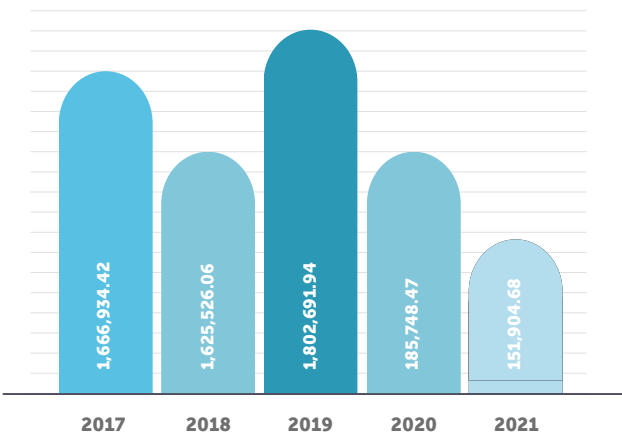
year, the target was surpassed; a new target was set to continually reduce greenhouse emissions by 10% in the next three (3) years.

Although overall emissions increased by about 22% in 2021 from the new target set, largely due to the gradual resumption of staff on-site post-2nd wave of the COVID-19 pandemic, a notable improvement was seen in the reduction of business travels, which reduced gasoline consumed by the Bank's fleet of vehicles by over 33,000 litres. Nevertheless, we plan to half emissions in the coming financial years to speed up the pace of meeting the new target. Overall, from 2017, the Bank has reduced its carbon footprint by over 40%.

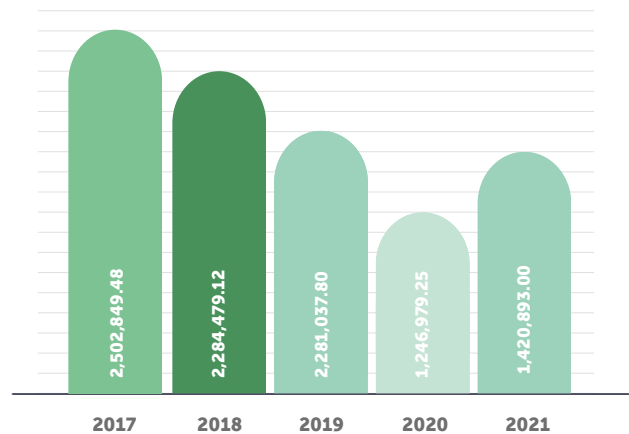
Bank-wide GHG emissions			
Financial Year	KgCO2e	tCO2e	% Change
2017	14,607,034.0	14,607.03	Base year
2018	14,481,245.7	14,481.25	-0.86
2019	14,853,632.6	14,853.63	+2.57
2020	6,788,151.4	6,788.15	-54.30
2021	8,297,231.6	8,297.23	+22.23

The table below portrays the energy resource consumption of the Bank over the last five (5) years:

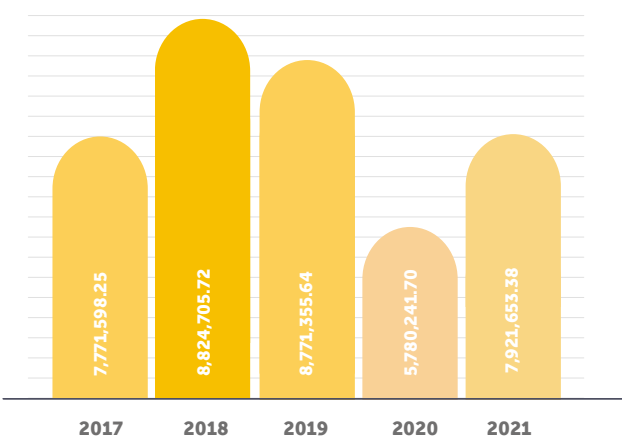
Bank-wide Petrol Consumption (Litres)



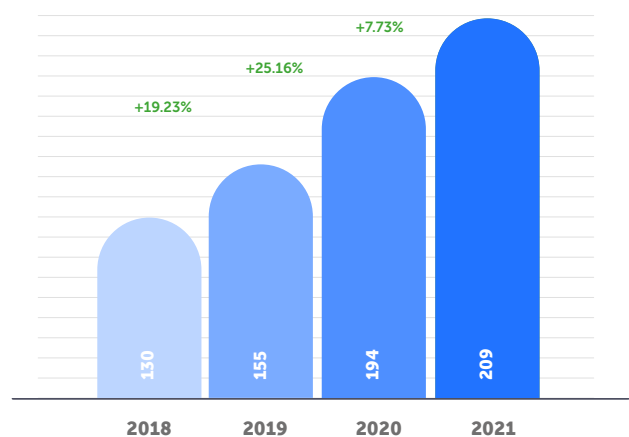
Bank-wide Diesel Consumption (Litres)



Bank-wide Grid Electricity Consumption (kWh)



Solar-powered ATM Deployment Trend



Energy-Saving Initiatives

We continued in our stride in sustainable Power-as-a-Service implementation by increasing the number of business locations on a hybrid power model to 61 branches from 57 in 2020, representing 40.1% of the Bank’s branches. There was also a 7.73% growth in the deployment of solar-powered ATMs bank-wide. In this regard, the Bank has been able to establish a 60.8% increase in the number of active automated teller machines (ATMs) powered by solar energy, from 130 in 2018 to over 200 in 2021, representing 34.1% of active ATMs on the Bank’s network.

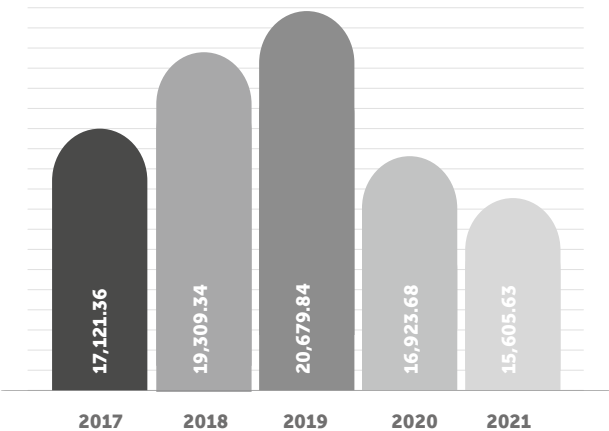
In addition, all heating, ventilation, air conditioning (HVAC) systems were replaced with more energy-efficient and environmentally friendly systems at the head office. Furthermore, the Bank began a solarisation project at the Sterling Towers, to be completed in

2022. The project comprises the installation of a 955 kilowatts peak (kWp) building integrated photovoltaic (BIPV) retrofit system, which will source cleaner energy from the sun, and the installation of a 2.18 megawatt-hour (MWh) energy storage system to improve energy efficiency at the head office. Other strategies include full adoption of increased deployment of video conferencing initiatives to reduce the frequency of air travel and company fleet.

Responsible Paper Consumption

In 2021, the Bank witnessed a 7.8% reduction in paper usage resulting from our continuous efforts to improve our environmental footprint on resource consumption. One of such efforts is our Paperless Drive Campaign, launched to encourage the automation of processes, minimize bank-wide paper consumption, and improve turnaround time focused on customer satisfaction.

Bank-wide Paper Usage (Number of Reams)



Financial Year	Number of Reams of Paper	Total weight of Paper Reams (Kg)	% Change
2017	17,121.36	41,091.26	Base year
2018	19,309.34	46,342.42	+12.78
2019	20,679.84	49,631.62	+7.10
2020	16,923.68	40,616.83	-18.16
2021	15,605.63	37,453.51	-7.78



Social Sustainability

In 2021, as with other years prior, we have made efforts to build a more sustainable future for our people (as our most important assets) to create sustainable growth for the Sterling business. This effort was in two major folds - digital transformation and cultural changes.

Digital Transformation

Following the onset of the pandemic, we continue to progress further into a more digital world. We continued to enable a mass transition to remote work and shift patterns, which posed global challenges for the workplace. However, it opened the door for a more flexible work arrangement that has powered smarter and better results. Innovative solutions were put in place to achieve this; solutions that foster connectivity, ease of access to information, speed of response, a network of collaboration, performance and productivity management, and the ability to make real-time decisions. We continue to enhance the solutions that were introduced under the redefining work model for the future of work, including; The Sterling virtual monthly check-in, OneAccess, Bring-Your-Own-Device (BYOD), Work-from-home bundles, Relationship Management Portal, HCHub, Employee Referral Portal, Sterling bots, and other Future of Work initiatives.

Cultural Changes

In response to managing COVID-19, we implemented safety measures across all business locations, ensuring adherence to all COVID-19 guidelines by installing external handwashing stations & digital thermometers, ensuring social distancing, and providing employees with masks & sanitizers. Moving on from 2020, the Bank continues to ensure these safety measures are upheld. With the emergence of the Omicron variant, we recently implemented spot testing for all employees working onsite at our business locations, thereby protecting our employees' and customers' health and wellbeing.

Flex, our online Learning Management System (LMS) portal has hosted several interactive courses that teach all employees personalized and global technical, operational, and service-related skills, resulting in an upskilled workforce that has continued to deliver optimum value. At Sterling Bank, we believe that a truly sustainable, connected, and collaborative workforce is not entirely physical.

We prioritize the mental and emotional well-being of our employees to ensure that they can effectively carry out their duties with initiatives such as the employee assistance programme, where professional counsellors are available to provide assistance where necessary; specialized and bank-wide engagement sessions with executive committee and members of the senior management; the general town hall meeting "Let's Talk with Abu" which brought the managing director in contact with all employees online quarterly, Yammer live campaigns, "a place we call home" publications, behavioural codes campaigns, all which served to foster transparency, break possible communication barriers, spread information speedily and creatively create a bonding sense amongst employees in teams and bank-wide.

Our career development schemes, like SGAP/SMAP, and exceptional achievers awards have also served to give our employees the best Sterling experience, strengthening their trust in the workplace. Our Sterling touch community and other volunteering initiatives also foster a sense of connection for our employees who find joy in giving back to the community.

Diversity and Equal Opportunity

To fully embrace sustainability, we made changes to our operating models to promote equality and flexibly accommodate every employee's lifestyle. 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.

The Bank has identified specific action points and our main targets over the next 3 years include:

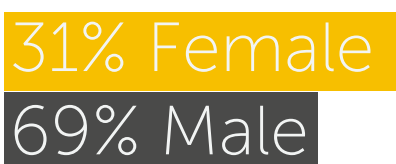
- Attract and hire from a talent pool of qualified individuals drawn from our four strategic categories, with diverse backgrounds and experiences to increase the diversity of thinking and perspective.
- Facilitate a culture that encourages collaboration, flexibility and fairness to enable all employees to contribute their potential and a clear performance and talent management culture to encourage growth and increase retention.
- Identify and breakdown the existing systemic barriers to achieving inclusion by embedding diversity and inclusion in policies and practices and equipping leaders with the ability to manage diversity and demonstrate accountability for the results from their team members and mentees.

At the end of 2021, the female representation of the Bank was:

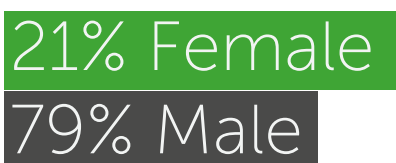
a. Employee Composition



b. Management Composition



c. Board of Directors



To push gender inclusivity within the Bank further, we joined the United Nations Global Compact Target Gender Equality programme, which will end with a live event in March 2022. This course will equip us with the ability to set realistic gender targets and avenues to achieve and embed them within the Bank’s policies. As participating members of the United Nations Global Compact (UNGC), we aim to contribute to the Sustainable Development Goals (SDGs) as best as we can. By actively investing in gender equality, we contribute positively to SDGs 5 (Gender Equality) and 10 (Reduced Inequalities). In 2021, we increased the female representation within our workforce by 2% to 48%, and we are striving to attain same at the senior management level.

Sterling Bank is an equal opportunity employer, and our hiring practices are based strictly on merit, competencies and organizational cultural fit, and are performed without prejudice to any attributes such as, but not limited to, gender, tribe, religion, political affiliations, or physical traits.

Going forward, we aim to achieve these 3 main diversity targets within our organisation:

- 50:50 male to female employee representation bank-wide.
- 30% increase in the number of employees with disabilities.
- Appointment of at least one female Executive Director by 2023.



The Bloom Network

The society designed to equip women with leadership skills and career mentorship was established in 2020 and made even more of an impact in 2021.

Highlights of the Bloom Network from the past year include:

- The establishment of the Sterling Women Development Programme (SWDP) which aims to develop, prepare and equip phenomenal female employees with the right skills and competencies in preparation for leadership positions within the Bank up to the board level.

- As we do every year, we mark International Women’s Day (IWD) with key events to celebrate and promote women. In 2021, the Bank held a webinar on managing stress and general wellness. It was an opportunity to use the #ChooseToChallenge pose and shareable postcards to show solidarity towards enabling an inclusive world and to encourage others in celebration of #IWD2021.

- Health programmes on managing stress for female employees, and a discussion on mental wellness with Maymunah Kadiri, the author of ‘Deep Expression’.

- This past year, we started work on the bloom network website to encourage participation and engagement: <https://sterling.ng/bloomnetwork/>

Other achievements from The Bloom Network:




43
Female employees enrolled on several leadership training and workshop



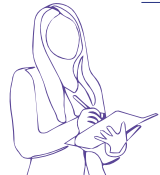
23
Female leaders on Sterling Women Development Programme




11
women recruited into leadership roles across several divisions of the Bank



78
Female employees onboard for the Career Advisory and Pathing session after communications were sent via the bloom network mailbox



The Management Risk Committee Charter of the bank was reviewed to include one of the bank’s female leaders



93
Over 93 women impacted through sponsorship to leadership conferences WIMBIZ, WISCAR

Other achievements from The Bloom Network:



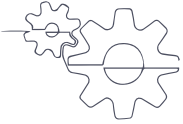
97

Distribution of the book, Deep Expression (Deep Expression address the issue of mental health and depression) to 97 women

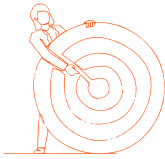


01

Female employee successfully completed the WISCAR one-year mentoring Programme



Started the process for the recruitment of a Female Independent Non-Executive Director for the Sterling Holding Company.



161

Female employees were impacted at the deep expression book review webinar event with the author Dr. Maymunah Kadiri.

In the past year, our sustainability practices and policies have enabled us to achieve the following:



84

52

Female employees have embarked on maternity leave and 52 male employees have taken paternity leaves.



142

Over one 142 employees have benefited from the Employee Assistance Program as at December 2021.



07

In the 2021 Best Places to Work ceremony, held on the 5th of this December 2021, we were awarded overall winners in 7 categories, including, best workplace to work in Nigeria.

Occupational Health and Safety

Our employees' health and overall well-being are important to us, and we take the responsibility to provide a safe and sanitary work environment very seriously.

We continue to promote good occupational health and safety measures which include mandatory one-day health check sponsored by the Bank, an employee assistance programme in collaboration with recognized counsellors for mental and emotional health problems open to employees, COVID-19 escalation lines and designated test centres for employees who may have been exposed, awareness on wellness, Sterling Mood, which allows employees confidentially speak to their business partners on personal and work-related challenges, as well as many other wellness initiatives. The results of our efforts in creating a sustainable workplace for our workforce in the past year came with internal and external successes and recognition for the human capital team and Sterling as a whole.

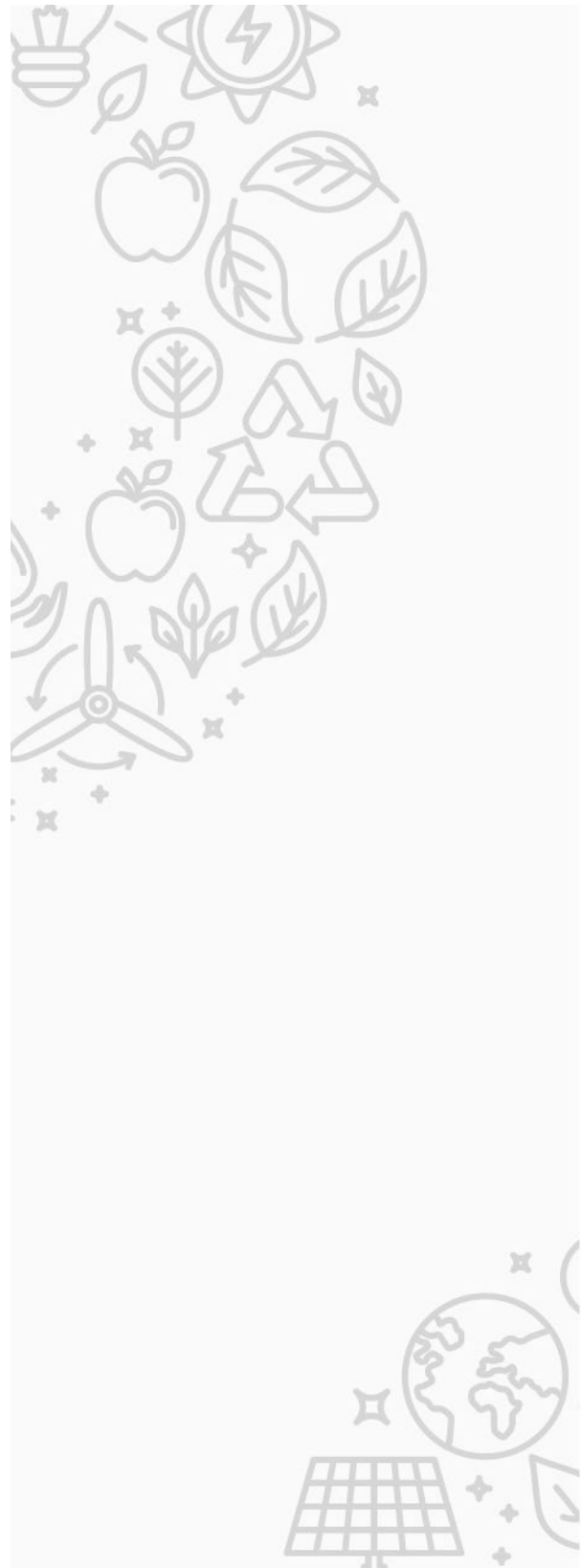
Supply Chain Management

Sterling Bank's procurement and vendor management unit is responsible for all procurement activities and the management of its relationship with suppliers, vendors and third-party service providers. The Bank continues to prioritise good quality and ethically sourced equipment and services, which are not produced to the detriment of the environment and society.

The Bank's E&S third-party framework entails our supplier code of conduct and our assessment process to rate our vendors' sustainable practices. In adherence to our stance on equality and diversity, we have embedded non-discriminatory and equal opportunity considerations into our procurement practices, actively encouraging the engagement of local and female suppliers and service providers for the provision of goods and services.

As we proceed to 2022, Sterling is determined to continue sustainable practices from previous years, especially in 2021. The plans for the new year include:

- Promote sustainability capacity building by sharing newsletters amongst our vendors.
- Ensure that our top 20 vendors are trained on environmental and social issues.



Our Work in the Community (CSR)

In line with our prioritization of key economic sectors in our business operations, 2021 saw us focus our corporate social investment primarily on education, environment, and empowerment projects. We also made social investments in health and agriculture, thus widening support to reach more communities. To strengthen our business approach such that it significantly enriches people’s lives beyond just economic gains, we relied heavily on partnerships, prioritising initiatives with the potential for long-term impact in complete alignment with the United Nation’s Sustainable Development Goals. This ensured that we were able to cater to the social development of our communities and the development of Nigeria in general.

This section of this report highlights key achievements in 2021 across our key social investment sectors.

Education

With our investment in educational initiatives, we keenly focused on empowering youths with skills that make them more employable, giving them the tools to build successful careers or create businesses with the potential to solve key national issues. In 2021, we

supported the following education projects:

EQUIP 60000 – In partnership with the Coca-Cola Foundation, Sterling One Foundation, Kano State Ministry of Youth & Sports Development, Whitefield Foundation and other partners, we provided hands-on entrepreneurial, vocational and employability training for over 60,000 youths and women across Nigeria, with 20,567 coming from Kano.

We also empowered some of the trainees with micro-grants to kick-start businesses using their acquired skills. Our executing partner, Whitefield Foundation disbursed over N30,000,000 in financial grants to the top 1,000 beneficiaries drawn from various states.

Ake Arts and Book Festival - The Ake Arts and Book Festival is an annual programme which features a list of cultural and literature-focused events, including book chats, panel discussions, readings, workshops, roundtable discussions, performances, stage plays and art exhibitions, featuring both Nigerian and international artists, performers and writers. In 2021, we sponsored this event which continues to act as an educational platform for a huge number of budding writers, poets and other students of contemporary art and literature.



Grant award presentation to beneficiaries at EQUIP 60000 closing ceremony in Kano.

Robotics Centre Summer Camp Training 2021 - The Robotics Centre is a future-focused organization that provides cutting-edge educational training and coaching programmes for both students and professionals, using facilities and technological support tailored to clients and challenges across the continent. We sponsored 40 children for their 2021 summer camp training to take introductory robotics classes.

Classroom Building for NFI School, Abuja - In partnership with the Run Club, Abuja, and Giving.ng, we awarded a grant of N500,000 to support the building of a classroom and purchase of computer systems for the Not Forgotten Initiative (NFI) School. 72 pupils from low-income households will get educated on basic digital skills due to this investment.

Cleverminds Free School - In partnership with the Cleverminds Foundation and Giving.ng, we supported the building of the first free school in Iyara community, Warri South LGA, Delta State, Nigeria to provide completely free education to over 100 underprivileged children and vulnerable orphans living in Delta State.

Lasgidi Cultural Arts Exhibition - We sponsored 30 artists to the Lasgidi Cultural Arts Exhibition, which featured an emerging art competition and attracted students from universities across Nigeria. The competition, which is judged by art professionals from established art institutions and studios in Nigeria, gave our beneficiaries the opportunity to learn more about their craft and the right approach to help them grow within the art industry.

Chess in Slums Makoko Scholarship - In partnership with our community driven innovation space, Cafe One and crowdfunding platform, Giving.ng, we supported Chess in Slums Africa, a not-for-profit organization reimagining education using chess as a tool to empower the minds of children in impoverished communities and slums across Africa. The beneficiaries, who were 12 school children, got the opportunity to get enrolled for a full session in a school operated by Whanyinna Children Foundation, in Makoko. This feat was achieved through two seasons of chess & coffee events. In 2022, this project plans to enroll 50 students.



Tunde Onakoya, Founder, Chess in Slums Africa, receiving monetary support for enrollment of selected pupils into a Whanyinna Foundation managed school.

Renovation of Kiloru Primary School – In partnership with Giving.ng and Prince Pelumi Alli, we awarded a grant of N500,000 towards the renovation of Kiloru primary school in Osun State, which was already dilapidated. Over 200 learners got the benefit of a better school environment from this initiative as some of the renovated classrooms were equipped with new furniture, modern boards and proper sanitary facilities for the benefit of the entire school.

School Development Project at The Platform School, Ayobo – In partnership with Edubanc, we embarked on a transformational project to support schools in need of infrastructural development and demonstrate our commitment to education development. We executed the construction of the second floor of the Platform School building in Ayobo, which consists of 2 wings with 8 classrooms and 4 toilets. This new building will cater to over 100 students, providing them with a more conducive learning environment.



Cheque presentation to management of NFI School by Sterling Bank Reps & Run Club Abuja Members



Founder of the Cleverminds Foundation, Zion Oshiobugie in front of the just completed Free School Building in Iyara Community



Before

Before photos of the Kiloru Primary School, Osun State, renovated in partnership with Pelumi Alli and Akot Engineering.



After

After photos of the Kiloru Primary School, Osun State, renovated in partnership with Pelumi Alli and Akot Engineering.

National Chess Championship Sponsorship - 10 beneficiaries from the Orchid Lekki Chess Club joined over 150 other players, including chess masters and school students, at the National Chess Championship, in November 2021. They received critical thinking training, in addition to improved chess play.



A set of players at the National Chess Championship sponsored by Sterling Bank Plc.



Presentation of the newly built floor of the Platform School, Ayobo by EduBanc Product Manager, Folashade Campbell on behalf of Sterling Bank Plc.

Environment

We believe that every investment made towards securing a cleaner planet, making sustainable consumption commonplace and in turn, healthier living is an investment with lifelong ripple effects. This is why we continue to design and sponsor initiatives targeted towards such. In 2021, we did the following:

Sterling Environment Makeover (STEM) - Under this project, we expanded regular clean-up activities to

include beach adoption, plastic recycling and cleaning activities in partnership with Sterling One Foundation and its partners: FIRST Exploration & Petroleum Development Company, Bonnie Bio Nigeria, Rite Foods, Proshare, African Clean-up Initiative Nigeria, Giving.ng, and Lagos State Waste Management Agency (LAWMA). We have so far; adopted 4 beaches in Lagos for biweekly sanitation.



Cross section of environmental champions from Sterling Bank Plc, Lafajai Community and Sterling One Foundation

Lagos International Water Conference - This event enables the exchange of ideas between stakeholders in megacities facing challenges of increased population, rapid urbanization, growing economic activities, and climate change. In 2021, we sponsored this event, bringing together over 1000 stakeholders to discuss key climate and green energy issues.

Greentech Girls' Summer Bootcamp – Through the Sterling One Foundation, over 40 secondary school girls were successfully trained on solar energy technology, panel installation, modern farming practices and other technological concepts. .



The Lagos State Deputy Governor and other guests at the Lagos International Water Conference



Student participants learning solar installations at the Greentech Girls Summer Bootcamp, Ibadan.

Empowerment

Buy A Cane Project – We supported the Angel4Life Foundation with a grant award of N1,000,000 in partnership with Giving.ng to help purchase white canes for 100 visually-impaired people to help them become more independent and live easier lives.

Boys to Men Foundation’s 2021 Inaugural Conference – This is an initiative focused on the importance of communication, acknowledgement of one’s vulnerability and acceptance as a path to raising responsible men in society. We supported this project which had over 300 virtual attendees, empowering them with key soft skills for better living.

Youth Day of Service (YDoS) – The LEAP Africa Youth Day of Service (YDoS) project is aimed at mobilizing young people across Africa to bring hope to their communities, awakening in them a sense of urgency to contribute towards meeting the Sustainable

Development Goals (SDGs). We supported the project by providing grants to at least 5 youth-led projects, in addition to capacity building for more youth organizations, in partnership with the African Union and Ford Foundation. We reached over 1 million indirect beneficiaries across 27 African countries, working with 4,489 volunteers.

The Creative Youth Community Development Partnership/Naija Climate Action - This initiative is working to galvanize creators, innovators, scientists, students, youths, entrepreneurs, and technologists to design sustainable solutions to support climate change adaptation and green economic recovery in Nigeria. The first phase of this project was executed in partnership with Sterling Bank, supporting 34 entrepreneurs and further empowering them with skills to achieve key sustainable development goals that also align with their business goals.



Grant award to Angel 4 Life Foundation for purchase of white canes for 100 visually impaired persons.



YDoS Volunteers during the repainting of the Falomo High School in Lagos

Health

Over the years, Sterling Bank’s commitment to healthier living has grown and taken a more strategic approach with the launch of products such as Healthbanc, which is making it easier for low-income earners and the less privileged to afford health insurance, reducing the chances of death from preventable diseases. Some key health projects executed include:

Dekina Borehole Project - Following a social media contest via the Sterling One Foundation’s channels to select an underserved community in need of sanitation outreach, we constructed the first pipe-borne water facility for the inhabitants of Ajichemu Community in the Dekina Local Government Area of Kogi State, reducing their exposure to water-borne diseases such as cholera.

World Smile Day Project - In partnership with Teelonis Enterprise, a Lagos-based gifting company and Giving.ng, we commemorated World Smile Day by giving various people across the country gift packs to show them appreciation for the good they do, and put a smile on their faces. A total of 185 individuals were reached and a N1,000,000 grant awarded through the Sterling One Foundation.

Food & Medical Relief Outreach – In 2021, we supported the Success Ezeani Foundation to cater to over 300 families living in the Festac area of Lagos, providing them with medical care and food supplies for the Christmas season.



A beneficiary at the Food & Medical Relief Outreach receiving a pack of food supplies from a Giving.ng volunteer.

Agriculture

We continue to sponsor initiatives that help more people invest in this sector in a way that yields the right results and creates employment for our teeming youths. For the year in view, our agricultural social investments were:

World Food Day Celebration - We supported the Hope for Life Initiative to mark World Food Day in Lagos, launch a campaign to support the elimination of hunger in Africa, and spread ways to improve the livelihood of Nigerians. The event targeted financial institutions, UN organizations, foreign embassies, food companies, farmers' associations, manufacturing corporations with a view to proffering solutions to hunger issues in Africa and reached a total of 150 attendees.

Agriculture Summit Africa - The Agriculture Summit Africa (ASA) is a platform dedicated to building the

capacity of youths and women Pan-Nigeria on best agricultural practices and financing opportunities. In 2021, we hosted over 2000 youths, women and stakeholders online and offline sharing knowledge around increasing the value of the agribusiness value chain and providing more jobs for people. We also introduced the SWAY Ag-Fin, a special single digit interest fund designed in partnership with MasterCard Foundation, open to youth and women interested in agribusiness.

Farmers' Radio – We partnered with the MasterCard Foundation to launch the Nigerian Farmers' Radio, a Pan-Nigeria agri-business radio show that enlightened local farmers with tailored solutions in their regions for maximum impact. This had over 1 million beneficiaries, pan-Nigeria.



A panel at the Agriculture Summit Africa hosted by Sterling Bank Plc

Sustainability Targets and Achievements

Focus Area	Description	2021 Targets	2021 Achievements	2022 Targets
Economic Sustainability	Ensure the organization remains profitable without jeopardizing its existence in the long term	NPL ratio of <5%	NPL ratio was nil at Year-End, while the Efficiency ratio (CIR) improved by 22bps to <60%	NPL ratio of <5%
		Return on equity of above peer group	Return on equity 10.40%	Return on equity of above peer group
		Deposit growth of 15% Y-o-Y	Deposit growth of 27.10% achieved	Deposit growth of 15% Y-o-Y
		Liquidity ratio of 35%	37.9%	Liquidity ratio of 35%
		Double-digit revenue growth Y-o-Y	Gross earnings of 4.8% increase achieved	Double-digit revenue growth Y-o-Y
		Double-digit revenue growth Y-o-Y	Double-digit revenue growth Y-o-Y	Double-digit revenue growth Y-o-Y
		Capital adequacy ratio > 10 %	14.8%	Capital adequacy ratio > 10 %
		Two investment-grade credit ratings	Two investment grade ratings from Global Credit Ratings (GCR) & DataPro	Two investment-grade credit ratings

Social Sustainability	Ensure the organization prioritizes engagement with her employees, customers, shareholders and communities	Customers		
		To keep our position and continue to rank 1st in the KPMG Customer Experience Survey	Ranked top 3 since 2019 in the KPMG Customer Experience Survey	
		Conduct regular employee surveys to feel the pulse of the workforce and identify areas for improvement	The Bank held "Talk with Abu" sessions with employees	Continue to conduct regular employee surveys to feel the pulse of the workforce and identify areas for improvement
		Development of new modules for the mandatory Sustainable Banking Programme for all employees on the FLEX LMS platform in collaboration with L&D	A course was uploaded onto the FLEX platform on the 2020 Sustainability Report to ensure all employees are aware of our current sustainability position	Development of "paperless" modules for the mandatory Sustainable Banking Programme for all employees on the FLEX LMS platform in collaboration with L&D
		Shareholders		
		Increase engagement with stakeholders via various channels	Regular engagements were also held with stakeholders via our social media channels to drive real-time engagements	Increase engagement with stakeholders via various channels
		Communities		
		Continue to identify and invest in communities where we operate in line with our Corporate Social Responsibility (CSR) focus areas, i.e. education, empowerment and the environment	Significant corporate social investments were made in local communities	Continue to identify and invest in communities where we operate in line with our Corporate Social Responsibility (CSR) focus areas, i.e. education, empowerment and the environment

		Participate in international and multi-stakeholder initiatives to drive improved standards and progress of sustainable banking in Nigeria	Actively participated in NSBP champions meetings within the year	Participate in international and multi-stakeholder initiatives to drive improved standards and progress of sustainable banking in Nigeria
Environmental Sustainability	Ensuring Sustainability in our business through reducing greenhouse gas emissions in our business operations and also promoting Sustainability in our sphere of influence through analysing the environmental and social impact of bank-financed transactions, i.e. responsible lending	Incorporate energy efficiency equipment into its new and already existing buildings		Incorporate energy efficiency equipment into its new and already existing buildings
		We have a renewed target to reduce our carbon footprint by 10% over 3 years		We continue to strive towards our renewed target to reduce our carbon footprint by 10% over 3 years

Stakeholder Identification and Engagement

Our stakeholders are individuals, groups and institutions impacted by our business operations and activities; they also influence our ability to realise set goals and targets. We place great importance on building confidence and lasting relationships through open dialogue geared towards understanding their expectations of us and integrating the same into our strategic and business decisions.

We engage with our stakeholders through appropriate, specific, formal and informal interactions while gauging their opinions on an on-going basis.

As an organization committed to enriching lives, we are determined in our resolve to create value for all our stakeholders.

Our identified stakeholder categories are:

- Internal Stakeholders (employees, shareholders/ investors)
- External Stakeholders (customers, suppliers/ third-party service providers, local communities, regulatory bodies, media organisations, government, non-governmental organisations)

The table below highlights our engagement with our various stakeholders:

Our Stakeholders	Reasons for Engagement	Channels of Engagement
Customers	<ul style="list-style-type: none"> To better understand their financial services needs and offer innovative solutions. To gauge the level of satisfaction with products and services and identify areas for improvement. 	Branches
		Contact Centre
		Mobile and online banking
		Website
		Social media channels
		Branches
		Customer research
		Customer Complaint Unit
Employees	To ensure adherence to our commitment of providing a safe, conducive work environment which allows for continuous development, work-life balance.	Employee engagement survey
		Recognition and awards programmes.
		Regular meetings
		Yammer (staff social media)
		HR Helpdesk
		Secure channels for suggestions and feedback
		Whistleblowing portal.
Shareholders	To provide regular information updates on the Bank's performance.	Annual general assembly
		Board of directors' meetings
		Annual, semi-annual and quarterly reports
Regulators	To ensure compliance with all rules and regulations and the mitigation of non-compliance, which will result in penalties.	Letter and email communications
		Meetings and onsite visits
		Regular reporting
Suppliers	To ensure that goods and services are ethically sourced and are of good quality.	Vendor Management Portal
		Bids and Tenders
Local Communities	To invest in the development of the communities in which we operate and ensure our continued commitment to managing the impacts of our business operations and activities.	Corporate Social Responsibility Projects
		Contact Centre
		Whistleblowing portal

Material Analysis

The feedback from our stakeholder engagement makes a vital contribution to our annual 'materiality assessment' – the process of recognizing those issues that are essential to the Bank's sustainable development. All feedback from our identified stakeholders are collated, reviewed, evaluated and integrated into our corporate strategy and forms the basis for our sustainability focus areas and related initiatives.

The Bank regularly analyses the social, environmental and ethical behavioural issues most relevant to its stakeholders throughout its value chain.

This analysis is critical to establish the Bank's main lines of action regarding sustainability, while we are aligned with the best practices and reference standards.

Process of identifying material concerns:

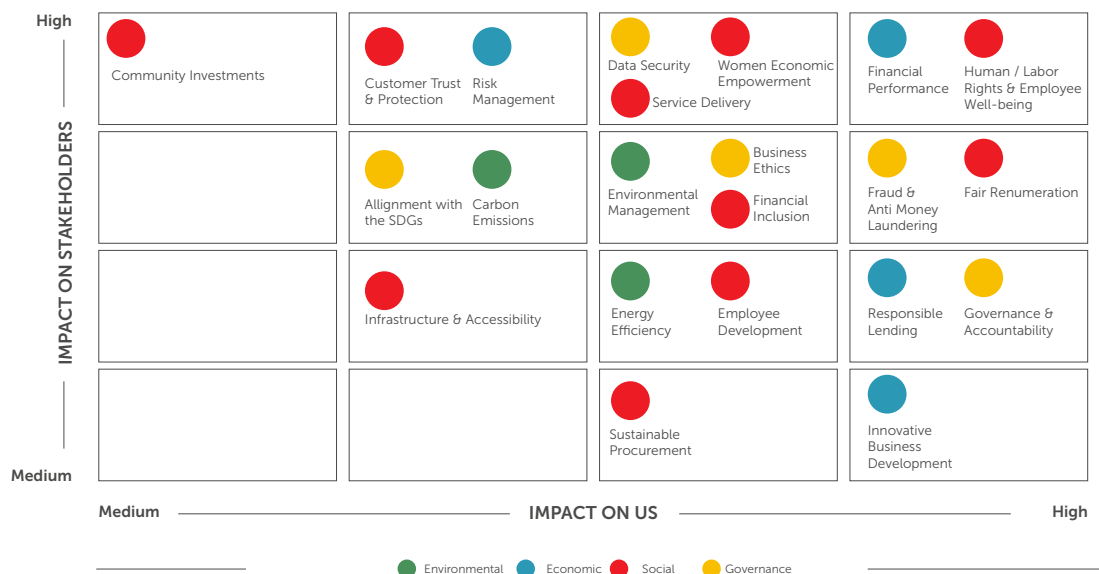
External	ESG Investors	The materiality of other banks	Media analysis	International best practice	Regulatory framework analysis	National priorities
Internal	Internal workshops	Surveys	Roadshows organized for employees.	Sustainability Working Group	Yammer	

Process of identifying material concerns:

Controversial events	Interviews with external experts	Social networks	Value chain	Megatrends analysis	NGOs analysis
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The material issues selected reflect our organization's significant economic, environmental, and social impacts and fundamentally influence assessments and decisions of stakeholders. This process is reviewed regularly. In the future, we will endeavour to engage our external stakeholders directly in our materiality assessment.

The list of our material issues is captured in the table and chart below:



Sterling Bank ESG Assurance Report



KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Independent Limited Assurance Report to the Board of Directors of Sterling Bank Plc (the “Bank”) on selected disclosures in the Sustainability Report included in the scope of assurance for the year ended 31 December 2021

We were engaged by Sterling Bank Plc to report on the selected disclosures in the Sustainability Report included in the scope of assurance for the year ended 31 December 2021 as defined in Attachment 1.

Our Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected disclosures in the Sustainability Report included in the scope of assurance for the year ended 31 December 2021, have not, in all material respects, been prepared and presented in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (the “GRI Standards 2021”).

Sterling Bank Plc’s Responsibilities

Sterling Bank Plc is responsible for the preparation and presentation of the Sustainability Report for the year ended 31 December 2021 in accordance with the GRI Standards 2021.

These responsibilities include establishing such internal controls as management determines are necessary to enable the preparation of the selected statements included in the Sustainability Report that are free from material misstatement whether due to fraud or error.

The Directors are responsible for preventing and detecting fraud and for identifying and ensuring that Sterling Bank Plc complies with laws and regulations applicable to its activities.

The Directors are also responsible for ensuring that staff involved with the preparation and presentation of the description and Sustainability Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.



Our responsibilities

Our responsibility is to express a limited assurance conclusion on Sterling Bank's preparation and presentation of the selected statements included in the Sustainability Report for the year ended 31 December 2021, as defined in Attachment 1.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

ISAE 3000 requires that we plan and perform the engagement to obtain a limited assurance about whether the selected statements included in the Sustainability Report are free from material misstatement.

Our limited assurance engagement on the selected statements included in the Sustainability Report consisted of making enquiries, primarily of persons responsible for the preparation of the selected statements included in the Sustainability Report for the year ended 31 December 2021, and applying analytical and other procedures, as appropriate. These procedures included:

- a. Inquiries of management to gain an understanding of Sterling Bank plc's processes for determining the material issues for Sterling Bank Plc's key stakeholder groups
- b. Interviews with senior management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business.
- c. Interviews with relevant staff at corporate and business unit level responsible for providing the information in the Sustainability Report for the year ended 31 December 2021.
- d. Comparing the information presented in the Sustainability Report for the year ended 31 December 2021 to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Sustainability Report for the year ended 31 December 2021.
- e. Reading the information presented in the Sustainability Report for the year ended 31 December 2021 to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Sterling Bank Plc.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion on the selected statements included in the Sustainability Report.



Purpose of Our Report

In accordance with the terms of our engagement, this independent limited assurance report has been prepared for the purpose of assisting the Directors in determining whether Sterling Bank Plc's selected disclosures included in the Sustainability Report, included in the scope of assurance for the year ended 31 December 2021 are prepared and presented in accordance the GRI Standards 2021 and for no other purpose or in any other context.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against KPMG other than the Bank for any purpose or in any context. Any party other than the Bank who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Bank for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to Sterling Bank Plc on the basis that it shall not be copied, referred to or disclosed, in whole (save for Sterling Bank Plc's own internal purposes) or in part, without our prior written consent.

Signed:

A handwritten signature in black ink, appearing to read 'Oluwafemi O. Awotoye'.

Oluwafemi O. Awotoye, FCA

FRC/2013/ICAN/00000001182

For: KPMG Professional Services Chartered Accountants

9 February 2023

Lagos, Nigeria



Selected disclosures include in the scope of assurance for the year ended 31 December 2021

S/N	Indicators	Statement	Page No.	GRI Criteria
1	Social	<p>A total amount of N54,310,942.00 was donated for CSR projects in 2021. The following CSR projects that were executed in 2021 for community development and empowerment include.</p> <ol style="list-style-type: none"> 1. EQUIP 60000 2. Ake Arts and Books Festival 3. Robotics Centre Summer Camp Training 2021 4. Classroom Building for NFI School, Abuja 5. Cleverminds Free School 6. Lasgidi Cultural Arts Exhibition 7. Chess in Slums Makoko Scholarship 8. Renovation of Kiloru Primary School 9. School Development Project at The Platform School, Ayobo 10. Sterling Environment Makeover (STEM) World food day celebration 11. Lagos International Water Conference 12. Buy a cane project. 13. Youth Day of Service (YDoS) 14. The creative youth community development partnership 15. Boys to Men Foundation's 2021 Inaugural Conference - empowering them with soft skills for better living. 16. World smile day project. 17. Food and medical relief outreach. 18. Dekina borehole project 19. Agriculture Summit Africa 20. World Food Day Celebration 21. Farmers Radio. 	3 8 - 4 1	GRI 413
2	Social	<p>The MD interacts with employees on a quarterly basis via a video conference call to discuss the bank strategic journey, employee welfare or concerns and other relevant issues.</p>	26	GRI 402



S/N	Indicators	Statement	Page No.	GRI Criteria
3	Social	<p>To foster a gender-balanced workplace for employees of the Bank, there is a Diversity, Equity and Inclusion (DEI) Policy in place which was signed off in February 2021 and reviewed in September 2021.</p> <p>The Policy was communicated to all employees on 23rd April 2021 and is shared monthly via emails and intranet.</p> <p>The Implementation of the Diversity, Equity and Inclusion (DEI) policy drives the Bank's gender equality and women's empowerment initiatives, which achieved a female representation of 33% at the senior management level in the year 2021.</p>	26	GRI 405
4	Social	<p>The Bank has whistleblowing avenues in place which are accessible to various stakeholders. Furthermore, it maintained its Whistleblowing Policy throughout 2021.</p> <p>During the year 2021, 10 cases were reviewed, out of which 8 are fully investigated and closed and 2 are still undergoing investigation.</p>	7	GRI 205
5	Economic	<p>The Bank's exposure to the HEART sectors as at December 2021 are as follows:</p> <p>Health - N3.13Bn Education - N1.39Bn Agriculture - N76.72Bn Renewable Energy - N7.21Bn Transportation - N28.23Bn</p>	17	GRI 203
		<p>The bank recorded approximately a 20% increase in disbursements in the HEART sectors, with N93.5 billion in 2020 to N116.7 billion in 2021.</p>	13	GRI 203
6	Economic	<ol style="list-style-type: none"> Loans were disbursed to women in 2021. In addition, the female-oriented products and initiatives such as the Sterling one-woman Proposition were also accessible by the women in 2021. <p>The One-Woman proposition comprises of an array of value-add offerings developed to meet the financial, business and personal needs of the Nigerian working woman.</p>	25	GRI 203



S/N	Indicators	Statement	Page No.	GRI Criteria
7	Environmental	Loans that spread across the Environmental & Social coverage sectors (which includes Oil & Gas, Power, Construction, Manufacturing, Real estate, Mining, Health, Education, Agriculture, Renewable energy, Transportation) were screened for E&S risks in 2021.	21	GRI 307
8	Environmental	A total number of 62 branches including ATMs at the branch locations were solar-powered (Hybrid Energy Solution) as at the end of 2021.	24	GRI 305
9	Environmental	Commencement of an enterprise solar project in the Sterling Towers which involved the installation of a 955 kilowatts peak (kWp) Building Integrated Photovoltaic (BIPV) retrofit system to source clean energy from the sun. The project has also involved the installation of an 18 Megawatt-hour (MWh) energy storage system to improve energy efficiency at the head office.	22 - 24	GRI 305
10	Environmental	The Bank adopted an environmental and social risk framework for an effective E&S risk management within the Bank in 2021. Environmental and social risk management system defines how a company will identify, assess, monitor and maintain the interactions with the environment and people in order to prevent negative environmental and social impacts.	21	GRI 307
11	Governance	<ol style="list-style-type: none"> 1. The Bank has a Corporate Governance Policy that reflects the changes in the structure, industry and extant regulations. 2. The Bank has an E&S governance structure within the Enterprise Risk Management Group, headed by the Chief Risk Officer (CRO), with a dedicated Sustainable Banking Working Group (SWG), and the Board Risk Management Committee (BRMC) that oversees the Sustainability E&S operations, policies and procedures. 	5	GRI 102

Nigerian Sustainable Banking Principles (NSBPs) - Implementation Report

The establishment of the 9 Nigerian Sustainable Banking Principles (NSBPs) and three sector-specific guidelines (covering the Oil & Gas, Agriculture and Power sectors) by the banker's sub-committee on Economic Development and Sustainability in September 2012 marked a new phase for Sustainability in the Nigerian financial services sector.

In the last six years of implementation, we have made significant progress in integrating the principles into our business operations and activities. Our sustainability strategy and framework are also deeply influenced by the nine principles of the NSBPs.

Principles	Expectations	Status Update
<p>Principle 1: Our Business Activities: Environmental and Social Risk Management</p>	<p>To integrate environmental and social considerations into decision-making processes relating to business activities to avoid, minimise or offset negative impacts.</p>	<ul style="list-style-type: none"> We have implemented an Environment and Social Risk Management System (ESRMS) based on the International Finance Corporation's Performance Standards and the CBN NSBPs and sectorial guidelines to effectively manage (avoid, minimize and mitigate) the E&S risk impact of credit transactions within 11 sectors of the economy, specifically: Agriculture, Oil & Gas, Power, Renewable Energy, Real Estate, Manufacturing, Mining, Construction, Health, Transportation, and Education. 296 transactions within the E&S coverage sectors (agriculture, education, health, renewable energy, transportation & logistics, manufacturing, power, oil & gas, real estate, and construction) were screened for environmental and social risk, with recommended mitigation measures communicated to customers in their loan covenants.

Principles	Expectations	Status Update
Principle 2: Our Business Operations: Environmental and Social Footprint	To avoid, minimize or offset the negative impacts of our business operations on the environment and local communities in which we operate and where possible, promote positive impacts	<ul style="list-style-type: none"> • Deployment of energy outsourcing solution to 47 branches. • Electrical load optimization, which involved rightsizing and downsizing of generators and electrical appliances at several branch locations. • Implementation of a Print as a Service initiative at business locations. • 249 ATMs are powered by alternate sources of energy
Principle 3: Human Rights	To respect human rights in our business operations and business activities	<ul style="list-style-type: none"> • We have established an anonymous and confidential grievance redress mechanism for both internal and external stakeholders to address cases of bullying, fraud, sexual harassment, intimidation and community grievances; complaints can be sent to whistleblowing@sterling.ng or kpmgethics@ng.kpmg.com • 254,648 customer complaints were resolved via the Bank's contact centre compliant resolution mechanism in 2021.
		<ul style="list-style-type: none"> • We have implemented an equality and diversity policy to underscore our commitment to the maintenance of a business environment that is inclusive and free of any forms of prejudice. • Human rights risks are assessed, and mitigations are proffered for credit requests within the E&S risk coverage sectors.
Principle 4: Women's Economic Empowerment	To promote women's economic empowerment through a gender-inclusive workplace culture in our business operations and seek to provide products and services designed specifically for women through our business activities	<ul style="list-style-type: none"> • Sterling Bank promotes a gender-inclusive workplace culture. As of December 2021, female representation on the Board of Directors was at 23%, while the ratio of women to men in the Bank stood at 48% to 52%, respectively. • Prior to last year's creation of Bloom Network for Sterling women to promote gender diversity and increase women's representation at all decision-making levels of the Bank. This year, a mentoring programme was created to impact and deepen female employees' support, retention, networking, and upward mobility. • 8,325 loans valued at over N8 Billion were granted to women and women-owned businesses in 2021.

Principles	Expectations	Status Update
Principle 5: Financial Inclusion	To promote financial inclusion seeking to provide financial services to individuals and communities that traditionally have had limited or no access to the formal financial sector.	<ul style="list-style-type: none"> • 56,685 accounts were opened for unbanked individuals who received financial services or products for the first time. • New agents were registered on the mobile banking platform. • Some of our financial inclusion product offerings include The Sterling I Can Save account, OneBank, Ajo Scheme, The Sterling Kia Kia account, MSME Academy for SMEs and small-scale businesses, etc.
Principle 6: E&S Governance	To implement robust and transparent E&S governance practices in our respective institutions and assess the E & S governance practices of our clients	<ul style="list-style-type: none"> • Sterling Bank is committed to an effective and transparent E&S governance structure to support our sustainable banking commitments and assess the governance practices of our clients. We have established policies, frameworks and a standard operating manual which clearly defines the roles, lines of responsibility, and processes for assessing, categorizing and managing environmental and social risks inherent in our operations. • Regular internal and external audit assessments of our processes and procedures are conducted, and identified gaps are addressed.
Principle 7: Capacity Building	To develop individual, institutional and sector capacity necessary to identify, assess and manage the environmental and social risks and opportunities associated with our business activities.	<ul style="list-style-type: none"> • In 2021, we conducted 15 capacity-building training sessions and a total of 4,380 participants through specialized training, Onboarding training sessions and the IFC/World Bank sustainability e-learning training programme.
Principle 8: Collaborative Partnerships	To collaborate across the sector and leverage international partnerships to accelerate our collective progress and move the sector as one, ensuring our approach is consistent with international standards and Nigerian development needs.	<ul style="list-style-type: none"> • In 2021, we renewed our subscription as a participatory member of the United Nations Global Compact - which focuses on human rights, labour, environment and anti-corruption and we partnered with several local and international organisations to support sustainability initiatives. • We partnered with the Government and NGOs on our community investment initiatives.
Principle 9: Reporting	To regularly review and report on our progress in meeting these principles at the individual institution and sector level.	<ul style="list-style-type: none"> • We have published our Annual Sustainability Report for four consecutive years and conducted independent external assurance of our sustainability reports for 2016, 2017 and 2018. • We will continue to adequately inform our stakeholders on our progress regarding our commitment to the sustainable banking principles.

United Nations Global Compact (UNGC) Communication On Progress

The UNGC was launched at the United Nations Headquarters in New York City, on 26 July 2000 and works based on a mandate set out by the United Nations General Assembly as an organization that “promotes responsible business practices and UN values among the global business community and the UN System”. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. Sterling Bank subscribed as a participant member of the UNGC in December 2018, submitted its first communication on progress report in 2019 and continues to tender yearly communication on progress reports to the United Nations Global Compact.

United Nations Global Compact (UNGC)	
HUMAN RIGHTS	Implementation
<p>Principle 1 – 2</p> <ul style="list-style-type: none"> Businesses should support and respect the protection of internationally proclaimed human rights. Businesses should make sure that they are not complicit in human rights abuses. 	<ul style="list-style-type: none"> 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. 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. Sterling Bank’s sustainable banking framework and the environmental and social risk assessment process ensure that transactions that employ forced or underage labour are not supported or financed. 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. 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. Sterling Bank has a bank-wide diversity, equity and inclusivity policy which was reviewed and updated in the year 2021, to include a human rights framework and to reflect current industry best practices.

United Nations Global Compact (UNGC)

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. We continue to support the prompt resolution of identified grievances.
- We carry out internal and external customer surveys to obtain necessary feedback on our service delivery and identify areas for 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 to respect the rights of others.
- We conducted a third-party E&S risk training for our service providers and vendors to ensure they comply with best practice on upholding and promoting human rights and conducive working conditions for their workers.
- 296 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.
- 180,099 customer and external community complaints were resolved via the Bank's contact centre complaint resolution mechanism, and 7 cases were investigated on the anonymous whistleblowing platform in 2021.

Action plans

- We are currently developing a thorough third-party environmental and social risk assessment process aimed at determining and mitigating possible human rights risks in the course of suppliers, vendors and third-party service providers' business activities in 2022, we plan to assess the Bank's top 20 vendors based on value and E&S impact.
- Development of an environmental and social risk e-learning module for our employees to better enlighten them on upholding the Bank's diversity and inclusivity standards as they go about their daily operations.

United Nations Global Compact (UNGC)

LABOUR

Implementation

Principle 1 – 2

- 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.
- 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.
 - We always aim to maintain a 45% female representation within our workforce and strive 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 to 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, an initiative aimed at promoting gender diversity and encouraging the leadership capabilities of women in the Bank, has continued to implement programmes to ensure women are adequately represented in all decision making levels of the Bank.
 - The Bank has maintained the employee health and wellness desk within the human capital group and the health insurance scheme (HMO) for members of staff.
 - To enhance a conducive work-life balance, we have instituted 4-month maternity and 5-day paternity leave for new parents. Additionally, there is an on-site crèche to ease nursing mothers’ work-life balance and enhance the Bank’s performance.
 - Following the COVID-19 pandemic, we have continued the shift work patterns and full remote options, mandating employees to work from their preferred convenient locations to ensure all staff are safe.

United Nations Global Compact (UNGC)

Measurement of Outcomes

- As of December 2021, 48% of our employees and 31% of our senior management staff were women.
- We have held three (3) "Let's Talk with Abu" sessions virtually with over 3,000 employees in attendance for each session.
- Although our on-site crèche is temporarily shut down due to the COVID-19 pandemic, it can cater for thirteen (13) children.
- In 2021, over 142 employees have benefitted from the employee assistance programme.
- Eighty-four (84) employees have embarked on maternity leaves and fifty-two (52) 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).
- In the 2021 Best Workplaces Awards Ceremony held on December 5 2021, we were awarded overall winners in seven (7) categories; Best Workplace to work in Nigeria (Large Corporates), 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.
- 296 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.
- So far, The Bloom Network has achieved the following:
 - 43 female employees enrolled on several leadership training and workshop;
 - Launched the first edition of the Sterling Women development programme: 24 female leaders are currently on the programme;
 - 11 women recruited into leadership roles across several division of the Bank;
 - The management risk committee charter of the Bank reviewed to include one of the Bank's female leaders
 - 78 female employees on-board for the career advisory and pathing session, after communications were sent via the Bloom Network mailbox

United Nations Global Compact (UNGC)

- Over 93 women impacted through sponsorship to leadership conferences such as WIMBIZ, WISCAR
- 1 female employee successfully completed the WISCAR one year mentoring programme
- Distribution of the book, Deep Expression (Deep Expression addresses the issue of mental health and depression) to 97 women
- Hosted the Deep Expression book review webinar with the author Dr. Maymunah Kadiri, anchoring the event. 161 female employees were impacted
- Dedicated clinical officers have been deployed to our head office and head office annex, 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
- 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 Plan

- Going forward, the Bank aims to achieve a 50:50 gender ratio with our employees.
- We also hope to appoint at least one female executive director by the year 2023.
- The Bank is planning to implement and certify ISO 45001:2018 - Occupational Health and Safety Management System (OHMS) to provide a systematic approach to managing employees' safety and well-being in line with best practice and to enhance productivity and the quality of work.
- We also plan to conduct environmental and social risk assessments of our top 20 vendors and third-party, to ensure that they are compliant with National E&S laws and regulations.

United Nations Global Compact (UNGC)

ENVIRONMENT

Implementation

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.

- We have partnered with energy outsourcing vendors, to deploy hybrid power and renewable energy solutions to some of our branches, to reduce our greenhouse gas emissions further and enhance economic sustainability.
- 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.
- 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 continue to make 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

- Although, overall emissions increased by over 20% in 2021, we have been able to achieve a 40% decrease from 2017, when the initial target was set.
- 296 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.
- In 2021, we recorded over 8% reduction in the use of physical paper forms in comparison to 2020.

Action Plan

- We plan to re-establish our recycling activities at our head office and head office annex locations, as they were halted during the COVID – 19 pandemic.
- 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.
- We have commenced the engagement of a consultant for the implementation of a scenario-based analysis of climate risk impact on the Bank's activities. We plan to increase the E&S risk monitoring footprint for credit facilities.

United Nations Global Compact (UNGC)

ANTI-CORRUPTION

Implementation

Principle 10

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

- The Bank’s anti-fraud unit runs a 24-hour transaction monitoring service to ensure fraud prevention and early detection.
- Our operational risk management unit conducts regular operational risk and control self-assessments and also, see to the mitigation of fraud risks at all levels.
- 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.
- The whistleblowing policy sensitization is conducted regularly for employees. It is 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.
- Periodic internal and external audit assessments of our processes and procedures to improve performance.
- All prospective customers are required to provide valid copies of all the necessary documents at the point of on boarding.
- 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



United Nations Global Compact (UNGC)

Measurement of Outcomes

- Sterling Bank's financial statements follow strict reporting standards and are assured by external auditors.
- 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.
- All employees undergo periodic training on anti-corruption/ anti-money laundering policies and practices.

Action Plan

- 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 implementation and compliance with the Bank's anti-corruption policies and regulatory requirements: the intensity of training offered will be tailored to suit employees' functions and will be proportionate to the risks of bribery and corruption faced.
- We will continue to communicate our anti-corruption commitments to the Bank's third-party business partners at the onset of businesses or partnerships.

Sustainable Development Goals Report

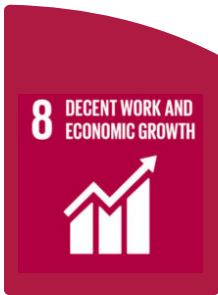


Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

We have made significant investments in the Education sector, by funding the provision of education infrastructure, promotion of strategic partnerships to enable foreign investment flows to the industry, investments in technology.

- Sterling supported Fregz-ducation, a non-governmental organization focused on education, and Slum2School Africa, to send some less privileged children back to school.
- Donation of educational books to students at Government Secondary School, Jos
- A total of 1,397.6 million Naira was spent in the Education sector.



Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Sterling Bank is committed to implementing initiatives treated at improving staff welfare within our business operations.

- 100% of the employees earned above the Nigerian Minimum wage.
- Over 3750 Staff members were trained this year.
- The Bank emerging as the overall winner in 7 award categories, including the "Best Workplace to Work in Nigeria" at the 2021 Best Places to Work Awards.



Industry, Innovation And Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

- 180,000 customers have been on boarded on the Sterling One Bank app.



Reduced Inequalities

Reducing inequalities for persons with mental impairments or psychosocial disabilities.

- 86% of bank branches are friendly to physically challenged customers.
- Zero discrimination in our employment practices.



Gender Equalities

Achieve gender equality and empower all women and girls.

- 86% of bank branches are friendly to physically challenged customers.
- Zero discrimination in our employment practices.



Sustainable Cities And Communities

Make cities and human settlements inclusive, safe, resilient and sustainable.

- The bank continues Sustainability training to all employees continued.
- Over 180,000 green points have been generated from inception to December 2020.



Partnership For The Goals

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

Key Partnership - Sterling has maintained its participant membership of the United Nations Global Compact - which focuses on human rights, labour, environment and anti-corruption.



Climate Change

Take urgent action to combat climate change and its impacts.

- 54% reduction of CO2 carbon footprint from 2019
- 90% decrease in total fuel consumed by fleet cars from 2019.
- The bank invested N7,215.6 million into the Renewable Energy Sector in 2021.
- The Head Office Solarisation project installation commenced in 2021 which will eventually result in the Head Office being run by Solar power.

Global Reporting Initiative Index Table

2021 GRI Standards Content Index		
GRI Standard	Disclosures	Section Title
Principles		
GRI 102: Organizational Profile	102-1: Name of the organization	About Sterling Bank
	102-2: Activities, brands, products, and services	Our Digital Assets/Products
	102-3: Location of headquarters	Corporate Profile
	102-4: Location of operations	
	102-5: Ownership and legal form	Ownership and Legal Form
	102-6: Markets served	Sustainable Financing
	102-7: Scale of the organization	
	102-8: Information on employees and other workers	A Great Place to Work
	102-9: Supply chain	Supply Chain Management
	102-10: Significant changes to the organization and its supply chain	Supply Chain Management
	102-11: Precautionary principle or approach	Supply Chain Management
	102-12: External initiatives	NSBPs Implementation Report, SDGs Report, UNGC CoP
	102-13: Membership of associations	Codes, Standards and Guidelines
GRI 102: Strategy	102-14: Statement from senior decision-maker	Managing Director's Statement
	102-15 Key impacts, risks, and opportunities	Managing Director's Statement
GRI 102: Ethics And Integrity	102-16 Values, principles, standards, and norms of behaviour	Women's Economic Empowerment
	102-17 Mechanisms for advice and concerns about ethics	NSBPs Implementation Report

2021 GRI Standards Content Index		
GRI Standard	Disclosures	Section Title
Principles		
GRI 102: Governance	102-18: Governance structure	Governance
	102-19: Delegating authority	Governance
	102-20 Executive level responsibility for economic, environmental, and social topics	Governance
	102-22 Composition of the highest governance body and its committees	Diversity and Equal Opportunity
	102-23 Chair of the highest governance body	Governance
	102-24 Nominating and selecting the highest governance body	Governance
	102-26 Role of highest governance body in setting purpose, values, and strategy	Governance
	102-27 Collective knowledge of highest governance body	Governance
GRI 102: Stakeholder Engagement	102-40 List of stakeholder groups	Stakeholder Identification and Engagement
	102-41 Collective bargaining agreements	
	102-42 Identifying and selecting stakeholders	Stakeholder Identification and Engagement
	102-43 Approach to stakeholder engagement	Stakeholder Identification and Engagement
	102-44 Key topics and concerns raised	Materiality Metrics

2021 GRI Standards Content Index		
GRI Standard	Disclosures	Section Title
Principles		
GRI 102: Reporting Practice	102-45: Entities included in the consolidated financial statements	The content and data in this document relate to Sterling Bank Plc and does not cover activities of the other agencies of the Sterling Bank Group
	102-46: Defining report content and topic Boundaries	Stakeholder Identification and Engagement, Materiality Metrics
	102-47: List of material topics	Materiality Metrics
	102-48: Restatements of information	There was no restatement of information given in previous reports
	102-49: Changes in reporting	There were no significant changes to the list of material topics and topic boundaries
	102-50: Reporting period	January - December 2019
	102-51: Date of the most recent report	2018
	102-52: Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	Contact Information
	102-54 Claims of reporting in accordance with the GRI Standards	About this Report
	102-55: GRI content index	Global Reporting Initiative Index Table
	102-56 External assurance	Assurance Opinion
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Stakeholder Identification and Engagement, Materiality Metrics
	103-2 The management approach and its components	Stakeholder Identification and Engagement, Materiality Metrics
	103-3 Evaluation of the management approach	Stakeholder Identification and Engagement, Materiality Metrics

GRI 200 Economic Standard			
GRI Standard	Disclosures	Section Title	Page Number(s)
Principles			
GRI 103: Management Approach	201-1 Direct economic value generated and distributed	2021 Financial Year Performance Highlights	
	201-2 Financial implications and other risks and opportunities due to climate change		Not Reported
	201-3 Defined benefit plan obligations and other retirement plans	2021 Financial Year Performance Highlights	
	201-4 Financial assistance received from the Government		Not Reported
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		Not Reported
	202-2 Proportion of senior management hired from the local community		Not Reported
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	The HEART Strategy	
	203-2 Significant indirect economic impacts	2021 Financial Year Performance Highlights	
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Supply Chain Management	
GRI 204: Procurement Practices	205-1 Operations assessed for risks related to corruption	Governance	
	205-2 Communication and training about anti-corruption policies and procedures	Governance	
	205-3 Confirmed incidents of corruption and actions taken		Not Reported
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		Not Reported

GRI 300 Economic Standard			
GRI Standard	Disclosures	Section Title	Page Number(s)
Principles			
GRI 301: Materials	301-1 Materials used by weight or volume	Carbon Footprint Management	
	301-2 Recycled input materials used	Recycling	
	301-3 Reclaimed products and their packaging materials	Recycling	
GRI 302: Energy	302-1 Energy consumption within the organization	Carbon Footprint Management	
	302-2 Energy consumption outside of the organization	Carbon Footprint Management	
	302-3 Energy intensity	Carbon Footprint Management	
	302-4 Reduction of energy consumption	Carbon Footprint Management	
	302-5 Reductions in energy requirements of products and services	Carbon Footprint Management	
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Carbon Footprint Management	
	305-2 Energy indirect (Scope 2) GHG emissions	Carbon Footprint Management	
	305-3 Other indirect (Scope 3) GHG emissions		Not Reported
	305-4 GHG emissions intensity	Carbon Footprint Management	
	305-5 Reduction of GHG emissions	Carbon Footprint Management	
	305-6 Emissions of ozone-depleting substances (ODS)		Not Reported
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Not Reported
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations		Not Reported
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management	
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Management	

GRI 400 Social Standards Series			
GRI Standard	Disclosures	Section Title	Page Number(s)
Principles			
GRI 401: Employment	401-1 New employee hires and employee turnover	Diversity and Equal Opportunity	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Not Reported
	401-3 Parental leave	UNGC Communication on Progress Report	
GRI 402: Labor/ Management Relations	402-1 Minimum notice periods regarding operational changes	A Great Place to Work	
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Occupational Health and Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	
	403-3 Occupational health services	Occupational Health and Safety	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	
GRI 404: Training and Education	404-1 Average hours of training per year per employee		
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Training and Career Development	
	404-3 Percentage of employees receiving regular performance and career development reviews	Training and Career Development	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Diversity and Equal Opportunity	
	405-2 Ratio of basic salary and remuneration of women to men		Not Reported
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken		Not Reported
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights, Child and Forced Labour	
GRI 408: Child Labour	408-1 Operations and suppliers at significant risk for incidents of child labour	Human Rights, Child and Forced Labour	

Contact Information

For questions regarding the content of this report, please contact:
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Let's get social

Please follow us on social media for updates on all our sustainability activities

