



# 2019 Sustainability Report





## About this report

Welcome to Sterling Bank's Sustainability Report, outlining in detail our Environmental, Social and Governance (ESG) performance for the period spanning January 1 to December 31, 2019.

The Sustainability Report is prepared in accordance with the GRI Standards: Core option. Within its pages, we refer to other Sustainability standards and guidelines we adhere to, that promote sustainable business practices both nationally and globally; these include the Nigeria Sustainable Banking Principles (NSBPs), IFC Performance Standards and the United Nations Sustainable Development Goals (SDGs).

Sterling's 2019 business activities and business operations environmental and social footprint are detailed in this report, highlighting our efforts to remain a Sustainability driven institution to pursue our vision "to be the financial institution of choice" by satisfying our customers' financial needs.

The report also highlights how we have identified and managed material issues through our stakeholder engagement initiatives in the year under review.

It also specifies the different stakeholder engagement platforms that we employed, the material issues that emerged from these engagements, and how we managed these issues in the year under review.

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**Asue Ighodalo**  
Chairman of the Board of Directors

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# CHAIRMAN'S STATEMENT

## Strengthening The Core Of Our Business

My fellow shareholders and distinguished colleagues,

I am delighted to welcome you all to the 58th Annual General Meeting of our Bank and to present to you the Annual Report and Financial Statements for the financial year ended December 31, 2019. It is with great pleasure that I report that our Bank has again, delivered positive growth, despite the slow-growth environment.

The year 2019 was characterized by significant global and domestic developments which had far-reaching implications for our economy and our business. I would therefore like to give some context to the economic and financial landscape in which the Bank operated during the period under review.

### The Macroeconomic and Operating Environment

The global economy struggled for the most part of 2019. The deceleration in growth momentum from 3.7% in 2018 to 2.8% in 2019 was largely due to rising trade tensions, volatility in oil prices and geopolitics. The US went beyond China to include the EU, Mexico and India in its strained trade relations. In China, in addition to the US trade pressure, the consumption of goods and services was sluggish leading to a decline in economic growth to 6.1% in 2019, the slowest in 29 years. Similarly, the U.S economy grew at only 2.3% - its slowest pace in three years - underpinned by a decline in business investments as the trade wars continued to take their toll on the economy. In the UK, the uncertainty of a no-deal Brexit marred business confidence during the year occasioning a downgrade of government debt ratings by Moody's rating agency, amidst erosion in institutional strength caused by Brexit. However, Africa got closer to becoming more integrated through the African Continental Free Trade Area Agreement (AfCFTA) aimed at boosting inter-regional trade.

Invariably the slowdown in global demand led to weaker commodity prices, as crude prices fell by 9% from an average price of \$72 per barrel in 2018 to \$65 per barrel in 2019. Although oil prices remained above the 2019 Nigerian appropriation threshold of \$60 per barrel, this decline put pressure on both the nation's fiscal finances and external reserves. The Nigerian economy recorded slight improvements in terms of growth measured by real Gross Domestic Product (GDP), which grew by 2.55% in the fourth quarter of 2019, up from the 2.38% growth recorded in the fourth quarter of 2018. The improvement in growth in the fourth quarter of 2019 to a post-recession high was largely due to increased activities in the oil sector. Despite the gradual recovery in the financial services sector and solid growth in the telecommunications sector, growth in the non-oil sector slowed to 2.3% (year-on-year) from 2.7% in 2018. Inflation for the year reached a 15-month high at 12% in

December 2019 on the back of certain economic policies such as the closure of Nigeria's land borders, widening forex exemptions and growing demand associated with end of year spending. In our immediate environment, the CBN maintained an expansionary position throughout the year. By introducing policies such as the increased loan-to-deposit ratio benchmark of 65%, restrictions on investments in fixed income instruments by commercial banks and the downward review of bank charges across payment and alternative channels, the CBN shaped its 5-year policy direction which was focused on improving access to credit, delivering growth and economic diversification, and strengthening consumer protection.

### Performance Overview and Shareholders' Returns

The year 2019 was challenging for the Nigerian Banking Industry. Nonetheless, Sterling sustained an improvement in business performance. Although our earnings grew only marginally by 1.0% to N150.2 billion, we delivered a 12.5% growth in profit before tax and a 15.0% growth in profit after tax at N10.6 billion; despite a 12.0% increase in operating expenses. Our operating expenses grew as a result of increased investments in human capital and technology, reflective of our transformation journey and the desire to further upskill and motivate our people.

A direct contribution of our investments in technology and intelligent automation can be seen in the performance of SPECTA - Nigeria's fastest digital retail lending platform. The product remained the major source of incremental lending, contributing to the growth of the Bank's core business, offering over N45 billion in loans to individuals and small business owners in 2019 alone. This represents over 200% growth in loans given to the Bank's retail and consumer segment compared to 2018. Overall, the Bank recorded a 0.4% decline in loans and advances as we adopted a selective approach to lending and augmented the efforts of our corporate banking team in rebalancing our exposures, particularly in the Oil and Gas sector, thereby releasing capital for our increased investments in our HEART sectors. In 2019, Sterling consolidated efforts in the mobilization of deposits. We recorded a 17.4% growth in our deposit base to reach N893 billion from N761 billion; notably the Bank achieved a higher growth of 19.4% in the mobilization of low-cost current and savings accounts deposits, maintaining a

60% (CASA/total deposit) deposit mix during the year. This contributed largely to improved cost of funds from 7.4% in 2018 to 6.3%. Overall, we closed the year with an improved balance sheet position as total assets grew by about 7.2% to N1.2 trillion, while Shareholders' funds grew by 22.2% to N119.6 billion on the back of a rise in retained earnings. The recorded growth in total equity was also attributable to the growth in Comprehensive Income by about 3.5x arising from gains recorded from investments in debt securities.

The Board recognises the importance of dividends to its shareholders, and constantly seeks to balance this with capital requirements to support the Bank's next wave of growth. Accordingly, the Board recommends the payment of 3 kobo per share as dividend for the year ended December 31, 2019; whilst rewarding our loyal and committed shareholders this affords the Bank the required buffer to finance its growth ambitions, and effectively become a first class, stronger, creative and extremely dependable financial institution.

### Our role in society

For Sterling Bank, sustainability is crucial to securing the future of our business by creating value for both our customers and shareholders alike. That is why, in addition to our continued investment in our brand, our high growth markets, our systems and our people, we remained active in driving inclusive growth by reinvesting in our society particularly through programmes that support job creation, promote skills and foster employability.

Some notable investments and strategic partnerships during the year include:

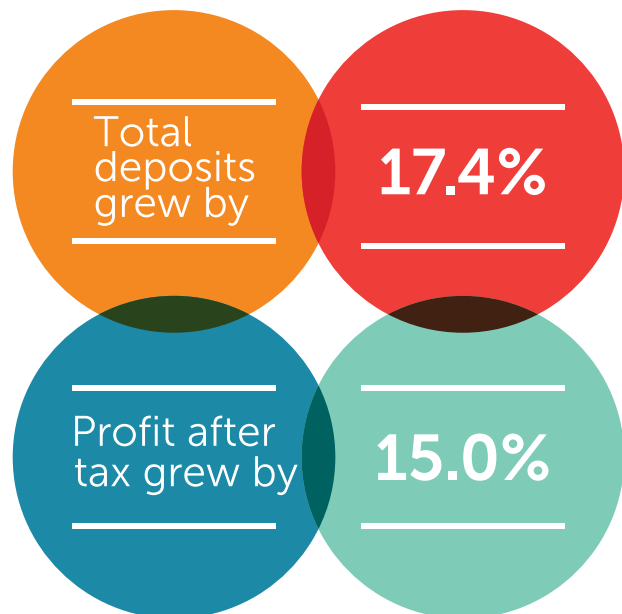
- The iCreate Skills Festival, a platform designed to promote skills excellence amongst the Nigerian youth, to bridge the prevailing skill gap and curb rising unemployment levels in the economy. Through this intervention, we contribute to human capital development in the Micro, Small, Medium Enterprises space (MSMEs).
- NESG Startup Pitching Event, an initiative in collaboration with the Nigerian Economic Summit Group that seeks to empower MSMEs across Nigeria, with funding and mentorship.

In addition, we intensified our efforts in leading public and private sector advocacy to promote environmental sustainability. During the year, we extended our waste management partnership to three additional states - Sokoto, Bauchi and Bornu bringing the total number of partner states to 27. We also continued to leverage on our 'Sterling Environmental Makeover' (#STEM) platform – a nationwide cleaning exercise to drive awareness about protecting the environment.

As part of our commitment to becoming a catalyst for growth within each of our focus sectors; Healthcare,

Education, Agriculture, Renewable Energy and Transportation (the 'HEART' sectors), we hosted the 'Agriculture Summit Africa 2019' themed "Agriculture: Your Piece of the Trillion-Dollar Economy". The summit created a platform for multidisciplinary discussions on topical issues and practical solutions that would drive an integrated approach for food security in Africa while exploring an inclusive Agric trade liberalization agenda and facilitating intra-African trade. The Summit was in perfect alignment with our objective to empower players across our focus sectors through platforms that provide access to information, markets and capital. In the Education sector, a strategic partnership with The Teaching Network Foundation, allowed us to successfully train over 3000 teachers to enable the improvement of the quality of education.

Within our Bank, we have continued to prioritize employee



productivity and satisfaction by building an institution that attracts and retains the best, whilst providing a conducive workplace and enhancing the work-life balance of our employees. As a testimony to the effectiveness of our employee welfare initiatives, Sterling Bank was recognized as the third best place to work in Nigeria, as well as the best workplace for the millennial generation and the best in leadership at the 2019 Great Place to Work awards. Our 2019 activities in these areas are covered in greater depth within our stand-alone Sustainability report.

### Board Changes

As a well governed and efficiently managed institution, we continue to prioritize organizational succession planning, as this is a critical component of the Bank's future. In line with

this, we strengthened our Board by appointing three new Directors during the year; Mr. Tunde Adeola to serve as Executive Director, Commercial Banking, Mr. Raheem Owodeyi to serve as Executive Director, Operations & Services and Mr. Ramesh Rajapur who replaced Mr. Sujit Varma as the Non-Executive Director representing State Bank of India (SBI); Mr. Rajapur currently serves as the General Manager, Retail & Subsidiaries at SBI. Their appointments were approved by the Central Bank of Nigeria and will be presented for ratification by the shareholders at the Annual General Meeting. All their Resumes are contained in this Report. I have no doubt that their contribution to the desired success of this organization will be invaluable in the years to come.

### Appointment of new Auditors

Following the expiration of the ten-year tenure of Messrs Ernst & Young as Auditors of the Bank in line with the provision of section 5.2.12 of the CBN Code of Corporate Governance, the Board of Directors approved the appointment of Messrs Deloitte & Touche as the new Auditors of the Bank. The appointment of Messrs Deloitte & Touche as Auditors will be proposed to members at the Annual General Meeting. On behalf of the Board, Management and Staff, I wish to thank Messrs Ernst & Young for their dedication, professionalism and service to the Bank.

### Business Outlook for 2020

On the international scene, we should expect to see a further decline in global performance in the wake of the emergence of the Coronavirus disease (Covid-19), particularly in the first half of the year. This will occur despite a broad-based shift towards a more accommodative monetary policy, improved US-China trade negotiations, and diminished fears of a no-deal Brexit. Price wars between Saudi Arabia and Russia – two of the world's three largest oil producers – continue to upset the balance of the global oil market with prices immediately falling by over 60%. In effect, we expect this terms-of-trade shock to further dampen spending particularly for oil producing countries. Although additional downside risks remain prominent, including rising geopolitical tensions, notably between the United States and Iran, intensified social unrest and further worsening of relations between the United States and its trading partners, the performance on the global scene will depend entirely on how quickly and how effectively the Covid 19 pandemic is dealt with and the economic and social response to the global disruptions occasioned by this disease.

On the domestic front, we should expect a similar adverse impact resulting from the slowdown in global business activities. The sharp decline in global oil prices will further strain government expenditure, possibly worse than the oil price plunge of 2014. On the back of this, we will see a downward review by the International Monetary Fund (IMF) of their projected growth rate of 2%. We expect the Federal Government to be proactive in its response to the damaging effects of Covid 19, providing appropriate, disciplined and creative economic stimuli and concessions, curtailing waste and focusing on revenue diversification policies.

Given the adverse economic and social impact of the Covid-19 pandemic and the effect on the way the world will do business and a possible rebalancing of the economic order, I have never been more confident that we are on the right path with our strategic decision to focus on the high growth sectors of the economy while investing in the digital space to grow our customer base. Furthermore, I strongly believe in the enablers of this strategy (our people) to sustain this continued growth while creating high value and delivering sustained returns to our esteemed shareholders in the years ahead.

### Appreciation

In closing, 2019 was a challenging but successful year for Sterling Bank. Indeed, the collective efforts of all our staff, Management and Board made it possible for us to deliver a solid performance. I would like to take this opportunity to thank all our stakeholders, particularly our esteemed shareholders, customers, partners and regulators for their unwavering support throughout the year. I would also like to thank our staff and management team whose passion, consistent hardwork, loyalty and unwavering commitment have sustained our good performances over the years. I thank most sincerely and unequivocally my colleagues on our Board, whose vision, dedication to duty, hardwork and exemplary leadership ensure that our Bank delivers on its promise to become the financial institution of choice.

I thank you all.

Sincerely,

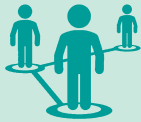


**Asue Ighodalo**  
Chairman, Board of Directors

# Our Sustainability Journey

## 2014

We established a Sustainable Banking Unit, under the Enterprise Risk Management Function to oversee the implementation of the Nigerian Sustainable Banking Principles.



We also established a Sustainability Working Group with representatives from all relevant Strategic Business Units within the bank.

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



We commenced the Environmental and Social risk assessment of credit transactions under the Agriculture, Oil & Gas and Power sectors.

We launched the 1<sup>st</sup> edition of our Sustainability Stakeholders Summit.



We established a 5-year Sustainability Implementation Plan.

We organized the 1st edition of the Sterling Environmental Makeover Volunteer Program.



We further extended our Waste Management partnership to 6 additional states.

## 2015

We published our 1<sup>st</sup> Stand Alone Sustainability Report



We established an internal reporting portal to capture and analyze Sustainability metrics such as water, waste, energy consumption, paper usage etc.



We deployed a Compressed Natural Gas Plant at our Sterling towers location.

We established a partnership with a hybrid power outsourcing vendor to deploy this solution to several of our branches



Sustainability Capacity Building was included in staff recruitment training.

We commenced the computation of our Carbon footprint assessment.



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



# 2016

We commenced the onsite Environmental & Social Risk Assessment of credit transactions.



We successfully adopted a Waste Recycling initiative at the Head Office, Sterling Towers, in partnership with LAWMA and Wecyclers Ltd.

We launched the Market Women Quick Cash at Kaduna in partnership with Afrigrants. Over 500 women were present for the launch, including the first lady of Kaduna State and a representative of the Min. of Women Affairs. 50 women were trained on financial literacy.



We commenced a Tree Planting Campaign, where over 700 trees were planted to help tackle desertification in the Northern Region of Nigeria.

We launched the E-money Box to encourage a savings culture and financial literacy for children.

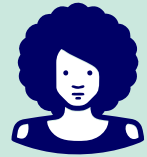


We commenced our Uber for business service, thereby reducing our company fleet vehicles by 27%.

We established a "Flexi-plan and Flexi-place" initiative for staff to enable them to achieve a desirable work-life balance.



# 2017



We launched our 'One Woman' proposition in 2017 - an initiative focused on supporting women in business by granting them access to market and finance.

We established a Recyclart competition to create further awareness around waste management practices such as recycling and upcycling. Four winners from the four geo-political zones were awarded N1million each for creating unique sculptures and artworks from recyclable materials.



We further extended our waste management partnership to 10 states, providing branded kits for over 10,000 street sweepers as part of the initiative.

We recognized and commemorated the World Environmental Day, by encouraging all staff to plant a tree and an event was organized to recognize and award several of our environmental champions.



We commenced the implementation of paper consumption reduction strategies such as Print as-A-Service.

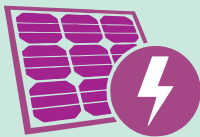
We implemented a medical insurance scheme for staff with leading Health Management Organisations (HMO) to enhance qualitative medic-care.



The Bank was awarded the Bank of TheYear in Women Economic Empowerment at the 1st edition of the 2017 Nigeria Sustainable Banking Awards organized by the Central Bank of Nigeria (CBN) and the 2017 Nigeria Sustainability Banking Award for Financial Inclusion organized by SERAS -CSR Awards

# 2018

We expanded our Environmental and Social (E&S) Risk Assessment to eight additional sectors.



We deployed hybrid power and renewable energy to 25 additional branches, bringing the total number of branches on hybrid power and renewable energy to 46.

130 solar-powered ATMs were commissioned nationwide.



N89 billion worth of loans and financial products were disbursed to four (4) key sectors that directly contribute to the achievement of the United Nations Sustainable Development Goals – Health, Education, Agriculture, and Transportation.

We expanded our waste recycling initiative to our Head Office Annex location, we recorded a 20.66% increase in categorized waste recycling from 6,432 kg in 2017 to 7,761 kg in 2018.



Over N 2.8 billion loans granted to over 650 Micro, Small and Medium Scale (SMEs) businesses.

As part of our commitment to Women Economic Empowerment, we disbursed 2,381 retail loans with a corresponding value of N 2.2 Billion (MSME, Individual & Specta) to women.



We recorded a total expenditure of N764 million on employee capacity building.

N299.1 million was invested in community development initiatives.



As part of our efforts to drive organizational culture, we established a set of distinct behavioural codes for employees.

We achieved a 1.84% reduction in carbon emissions, by reducing diesel, PMS and compressed natural gas consumption by 8.72%, 2.48% and 71.78% respectively Y-o-Y.



**Abubakar Suleiman**  
Managing Director/CEO

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# MANAGING DIRECTOR'S STATEMENT

## Doing Business in 2019

I welcome you - our distinguished shareholders and investors, our customers and our regulators - to Sterling Bank's 58th Annual General Meeting.

The prolonged trade dispute between the United States and China continued through 2019, dampening growth in the world biggest economies and placing pressure on the global economy. The trade tensions, which escalated as the world struggled to respond to the outcome of Brexit, the German political friction and the French climate protests, drove global output downward from 3.7% in 2018 to 2.8% in 2019, resulting in a significant drop in commodity prices. The resulting revenue pressure in developing economies led to additional borrowing, raising debt levels in Sub-Saharan Africa, South-East Asia and Latin America to its highest in 3 years.

In addition to the difficult operating environment, Nigeria also faced uncertainty arising from the presidential elections, late passage of the federal budget and delayed rains. We eventually saw an improvement in the operating environment towards the end of the year, resulting in modest GDP growth, driven by the oil sector. The Central Bank mitigated the impact of the external events highlighted above with a variety of discretionary tools, including a reduction in Monetary Policy Rate (MPR) to 13.5% from 14% and an increase in minimum loan to deposit ratio to 65%.

### How did we respond?

For a bank to succeed in these uncertain times, it must be agile, cautious, innovative, knowledgeable and prepared. In the face of declining trading income and our unwavering commitment to a more disciplined deployment of scarce capital, we relied on the strength of our retail business to deliver a 15% growth in profit after tax to N10.6 billion. We grew our retail loans by 200% leveraging our Specta platform to disburse nearly N50 billion to over 50,000 customers. We continued to execute our strategy of diversifying our funding base, leading to a 10.9% decline in interest expenses. To the delight of our stakeholders, we were ranked 3<sup>rd</sup> Best Retail Banking Institution in the 2019 Nigeria Banking Industry Customer Experience Survey by KPMG as the consumers started to reckon with our transformation.

We have laid a sound foundation for 2020 with significant investments in technology to accelerate our digitization. We

will build on the 86% growth in payment transaction volume achieved in the 12 months ended December 2019 to solidify our market share of payments.

Finally, for a business to succeed, it must be ingrained in the fabric of the community. We continue to pursue this commitment to enriching lives through our engagement in our HEART sectors. In recognition of our efforts to improving the education sector through our Edu-finance service, we were awarded the prestigious Banker's Award for Banking in the Community by The Financial Times. We are further motivated to lead the effort in building a Nigeria that is habitable, safe and allows for fulfilment for its citizens.

### To-do's in 2020

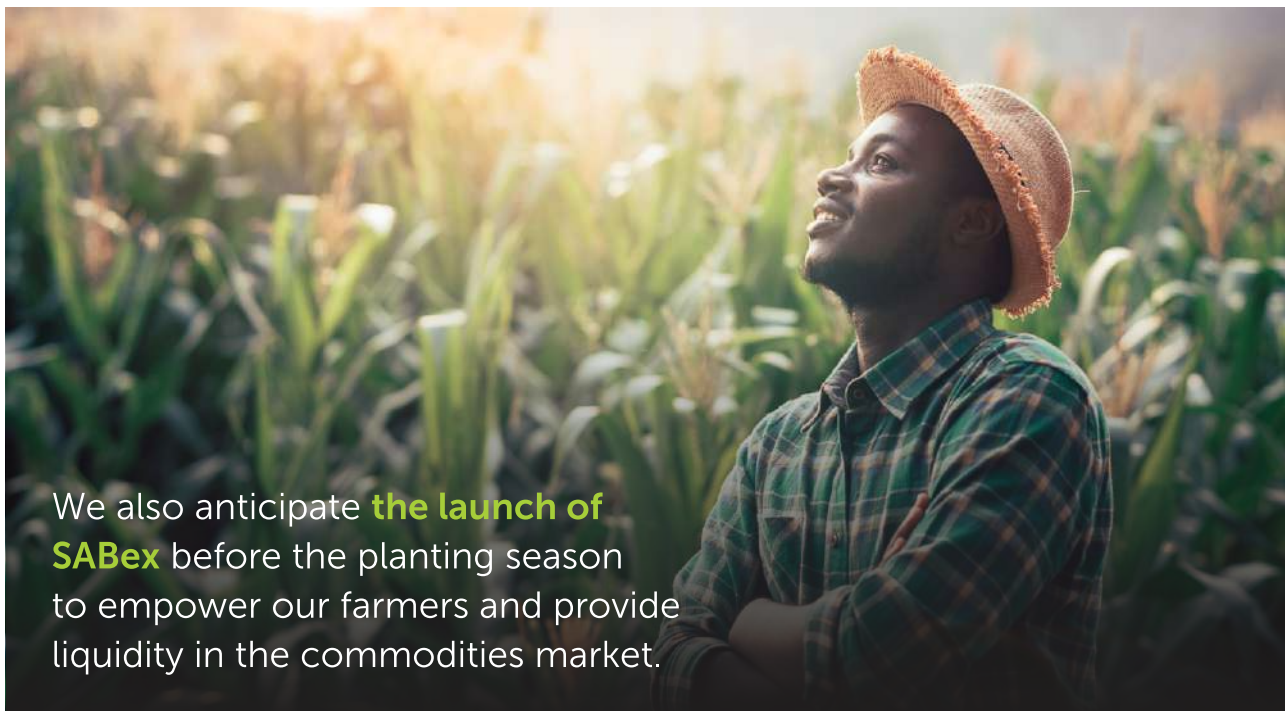
1. Serve our customers with empathy, knowledge and on their own terms

In 2020, we will recommit to leaving our customers happy no matter the circumstances. We will continue to invest in tools that allow us truly to know our customers and build processes and products for them – in the simplest of ways.

We recognize the customer's demand for convenience which increasingly means getting the solutions to their desktops & mobile devices. While we have wowed our customers with innovative and functional mobile payments (OnePay, \*822#), consumer finance (Specta), asset finance (AltMall), Investments (Double & I.invest) and transaction banking (SterlingPro), we commit to simplifying the user journey, improving the customer experience and enhancing the utility.

2. Cost management - take what is ours

We understand that to attract investments and scale our businesses, we must be seen as credible custodian of capital. We will continue to eliminate waste and to focus on the things that truly matter – excellent service for our customers, competitive wages for staff, fair terms for our vendors and a sustainable return on capital to our investors.



We also anticipate **the launch of SABex** before the planting season to empower our farmers and provide liquidity in the commodities market.

### 3. Solve real problems close to our HEART

Our commitment to solving real problems in the HEART sector to catalyze growth remains non-negotiable and will be the fulcrum of our growth in 2020. We intend to deploy at least one platform in each of these sectors to empower our customers by enhancing their productivity and minimising frictions in their value chain.

We will be extending our digital services to small businesses and to the HEART sectors, starting with the launch of an EduBank and Imperium and the extension of FarePay to toll services. We also anticipate the launch of SABex before the planting season to empower our farmers and provide liquidity in the commodities market.

### 4. Understand & manage risk

We believe that the business of banking is still primarily risk management and the greatest disruption to the industry will come from the use of data to simplify the task and improve the outcome. This requires a deep understanding of the environment and the context in which we operate as well as the recognition that risk is really opportunity in disguise. We will therefore seek to better understand the various ecosystems and how the unprecedented progress in technology will impact our work and our customers. Our commitment to becoming a world class risk management institution is at the foundation of all our experimentation.

### 5. Bring everyone in

This is really at the core of 2020 - bringing everyone we meet on board. We believe everyone should be able to enjoy the benefits of the values we embody, it is only then we can truly say we have been successful. From talents to customers to investors, we are opening our doors even wider for you to join our community.

#### Thank you

We have a brand to be proud of - we represent a new way of doing business, one that values our role as change agents. I am proud of this and will continue to lead the charge to make Sterling a household name.

I would like to say thank you to the Board for trusting this new way and providing immeasurable support on this journey; to the numerous shareholders who proudly support us and to our ever loyal customers for choosing us on your life journey.

Finally, to team Sterling, for your commitment to running an honest race, and for the sense of urgency you have brought to bear, thank you.

**Abubakar Suleiman**  
Managing Director/CEO

# PERFORMANCE HIGHLIGHTS

## Economic Sustainability

- 13% (N2.369 billion) of the loan portfolio was allocated to the HEART (Health, Education, Agriculture, Renewable Energy and Transportation) sectors that directly contribute to the achievement of the Sustainable Development Goals.
- Over N7.632 billion in loans was granted to over 1200 Micro, Small and Medium Scale (SMEs) businesses.
- Over 13,900 loans with a corresponding value surpassing N10.865 billion was granted to women.

- 67.14% Increase in number of transactions screened for Environmental and Social Risk.



## Social Sustainability

- 10.87% increase in number of female employees. Female employees account for 42% of the workforce, with 32% and 21% female representation at Senior Management and Board level respectively.
- 1480 man hours were devoted to volunteering activities.
- N827 million was spent on employee capacity building.

- N245.8 million was spent on community initiatives.



## Environmental Sustainability

- Commemoration of 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 7,761 kg in 2018 to 16,489 kg in 2019.

- Deployment of Integrated Waste Treatment/Biodigester System to three additional locations.
- 17.5% increase in number of Business Locations on Hybrid Power Solution.



# Awards



## **The Best in Leadership (Large Corporate)**

Great Place to Work Awards 2019



## **Best Place to Work For Millenials**

Great Place to Work Awards 2019



## **Third Best Place to Work in Nigeria and Africa**

Great Place to Work Awards 2019



## **Most Sustainable Transaction (Power)**

CBN Sustainable Banking Awards 2019



## **Winner, Financial Services Category**

HR Optimization Awards 2019



## **Overall Winner**

HR Best Practice Awards 2019



## **Most Innovative ICT Product in the Banking Sector (Social Lender)**

Nigerian Telecoms Awards



## **Banking in the Community Award**

Bankers Awards 2019



## **Bank of the Year, Local Content**

Petroleum Technology Association of Nigeria Awards 2019



## **Special Product Award**

Business Hallmark People of the Year Awards 2019



## **Innovative Bank of the Year**

Electronic Payment Incentive Scheme (EPIS) Efficiency Awards 2019

## Executive Summary

Sustainability and climate risk issues continue to be a growing concern globally, and there has been an increasing demand for Financial Institutions to incorporate and adhere to sustainability standards and environmental and social risk management best practices.

At Sterling, sustainability is deeply entrenched in our business strategy, our daily processes and determines the way we do business. Over the last decade, we have continued to make significant contributions towards the social, economic and environmental development of Nigeria driven by our purpose of enriching lives. In line with our sustainability priorities, we are committed to building an institution that exists for positive impact in the community, on our clients, the environment and all stakeholders; and is committed to outliving current managers.

As a socially responsible organization, we understand that our business and the communities in which we operate are interdependent, and we have continued to make strides with regards to investing in local communities. We partnered and collaborated with various organizations in the year under review for improved impact and executed projects in areas including Education, Environment, Empowerment, Health and Agriculture.

We stayed true to our promise to our greatest asset, the people who enable our business; significant investments were made, and a variety of modes of delivery including implant sessions, webinars, conferences etc., were employed in ensuring continuous development, capacity building and the readiness of our people for the workplace of the future. This continued upskilling and reskilling has brought about increased efficiencies, greater productivity and higher levels of service delivery to both internal and external stakeholders.

We remain committed to our mantra "committed to being nature's keeper" and to the identification and mitigation of the negative impacts of our business activities and operations on the immediate environment and local communities. We have implemented measures and are actively working on managing our environmental footprint most notably, in the areas of anthropogenic greenhouse gases emissions, resource consumption and waste management. We benchmarked our performance in this sphere against guidelines stipulated by the Nigerian Sustainable Banking Principles (NSBPs), the United Nation's SDGs and industry best practice.

The year in review, 2019, saw a marked improvement in the performance of our Environmental and Social Risk Management function, We will continue to work on fine tuning our processes and improving our approach to ensuring the mitigation of environmental and social risks in our business activities.

In compliance with Principle 8 of the NSBPs, we initiated several collaborative partnerships geared towards the continuous improvement of our Environmental, Social and Governance performance, as well as, improved impact.

We will continue to build on our achievements and entrenching a sustainable culture within our business, as well as in the communities in which we operate. We remain committed also, to the realization of the United Nation's Sustainable Development Goals.

### Stakeholder Identification and Engagement

Our stakeholders are individuals, groups and institutions that are impacted by our business operations and activities; they also influence our ability to realize 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 formal and informal interactions as appropriate to the stakeholder, and we gauge 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 and 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"> <li>To gain a better understanding of their financial services needs and offer innovative solutions.</li> <li>To gauge the level of satisfaction with products and services and identify areas for improvement.</li> </ul>	<ul style="list-style-type: none"> <li>Branches</li> <li>Contact centre</li> <li>Mobile and online banking</li> <li>Website</li> <li>Social media channels</li> <li>Customer research</li> <li>Customer complaint unit</li> <li>Customer surveys</li> </ul>
Employees	<ul style="list-style-type: none"> <li>To ensure adherence to our commitment of providing a safe and conducive work environment which allows for continuous development, work-life balance and career progression.</li> <li>To ensure employee adherence to the Bank's vision, mission and strategic goals.</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement survey</li> <li>Recognition and awards programs.</li> <li>Regular meetings</li> <li>Yammer (staff social media)</li> <li>HR Helpdesk</li> <li>Secure channels for suggestions and feedback</li> <li>Whistleblowing portal.</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>To provide regular information updates on the bank's performance.</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting (AGM)</li> <li>Board of directors' meetings</li> <li>Annual, semi-annual and quarterly reports</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>To ensure compliance with all rules and regulation and the mitigation of non-compliance, which will result in penalties.</li> </ul>	<ul style="list-style-type: none"> <li>Letter and email communications</li> <li>Meetings and onsite visits</li> <li>Regular reporting</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>To ensure that goods and services are ethically sourced and are of good quality.</li> </ul>	<ul style="list-style-type: none"> <li>Vendor management portal</li> <li>Bids and tenders</li> </ul>
Local Communities	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Social Responsibility Projects Contact center</li> <li>Whistleblowing portal</li> <li>Social media channels</li> </ul>

# Process of identifying material metrics

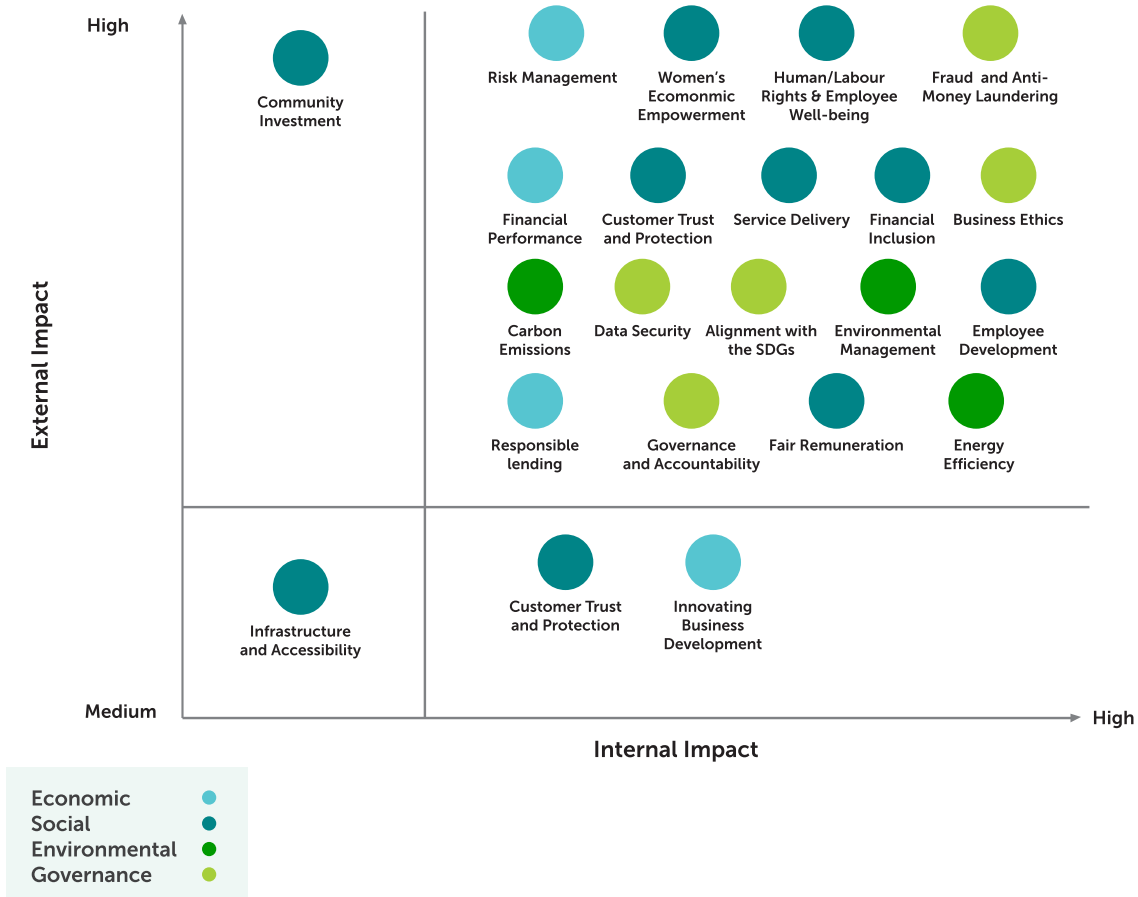
## Quantitative Analysis

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

## Qualitative Analysis

Controversial events	Interviews with external experts	Social networks	Value chain	Megatrends analysis	NGOs analysis
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Our 2019 Materiality Matrix presents 22 distinct topics identified by our stakeholders with significant impact on our sustainability pillars; Environmental, Social, Governance and Economic.



# Sustainability Targets and achievements

Focus Area	Description	2019 Targets	2019 Achievements	2020 Targets
Economic Sustainability	Ensure the organization remains profitable without jeopardizing its existence in the long term	<ul style="list-style-type: none"> <li>• 3.5% Market Share by deposits</li> <li>• NPL ratio of &lt;5%</li> <li>• Return on equity of above peer group</li> <li>• Deposit growth of 15% Y -o-Y</li> <li>• Liquidity ratio of 35%</li> <li>• Double -digit revenue growth Y -o-Y</li> <li>• Capital adequacy ratio &gt; 10 %</li> <li>• Two investment -grade credit ratings</li> </ul>	<ul style="list-style-type: none"> <li>• Deposit Market share of 3.6%</li> <li>• NPL ratio 2.2%</li> <li>• Return on equity - 9.8%</li> <li>• Deposit growth of 17.4 achieved%</li> <li>• Liquidity ratio - 39.5%</li> <li>• Earnings growth - 1%</li> <li>• Capital Adequacy Ratio - 14.7%</li> <li>• Two investment - grade credit ratings Global Credit Ratings (GCR) &amp; DataPro</li> </ul>	<ul style="list-style-type: none"> <li>• 4. -5% Market Share by deposits</li> <li>• NPL ratio of &lt;5%</li> <li>• Return on equity of above peer group</li> <li>• Deposit growth of 15% Y -o-Y</li> <li>• Liquidity ratio of 35%</li> <li>• Double -digit revenue growth Y -o-Y</li> <li>• Capital adequacy ratio &gt; 10 %</li> <li>• Two investment - grade credit ratings</li> </ul>
Social Sustainability	Ensure the organization prioritizes engagement with her employees, customers, shareholders and communities	<b>Customers</b>		
		Top 5 in all categories in the 2019 KPMG Customer satisfaction survey	Ranked 3rd in KPMG Customer Experience survey for Retail banking	Top 5 in all categories in the 2019 KPMG Customer satisfaction survey
		Increase customer engagement via various channels to drive the bank’s sustainability strategy	Launched Double , Nigeria’s fastest investment portal, to cater to the investment appetite of individuals in the active workforce.	To be the No. 1 Digital Bank in Nigeria over the next two (2) years.
			Refreshed the look and feel of our website to encourage easy navigation and ease of access to content by customers and stakeholders.	

Focus Area	Description	2019 Targets	2019 Achievements	2020 Targets
			Awarded the Most Sustainable Transaction (Power) category of the 2019 Sustainable Banking Awards.	
	Conduct employee surveys to feel the pulse of the workforce		Organized seven (7) townhall sessions tagged "Talk with Abu" in various Regions to feel employee pulse and address issues raised.	Conduct regular employee surveys to feel the pulse of the workforce and identify areas for improvement
	Establish an E-learning platform to close knowledge gaps and build capacity		Revamped the E-learning training platform .  Developed a Sustainable Banking E-learning course.	
		<b>Shareholders</b>		
			The Investor Relations sent regular team updates on the Bank's business to analysts and shareholders.	Increase engagement with stakeholders via various channels
	Continuous engagement with shareholders		Regular engagements were also held with stakeholders via our social media channels to drive real-time engagements.	
		<b>Communities</b>		
		Continue to identify and invest in communities where we operate in line with our Corporate Social Responsibility (CSR) focus areas i.e., Education,	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

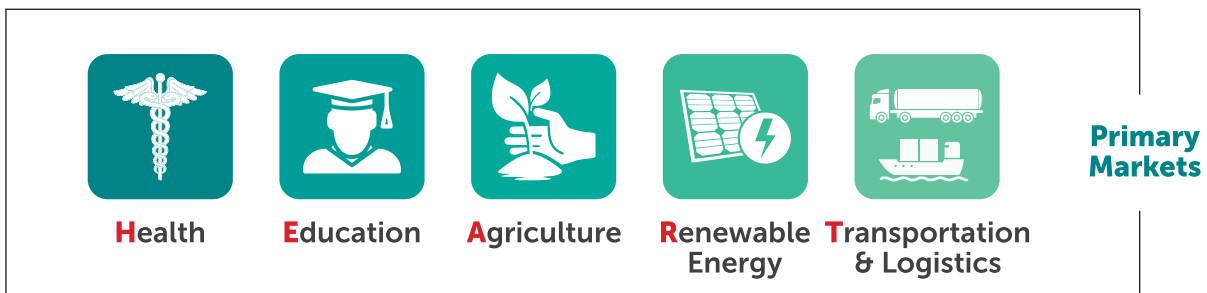
Focus Area	Description	2019 Targets	2019 Achievements	2020 Targets
		Empowerment and the environment		(CSR) focus areas i.e. Education, Empowerment and the Environment
Environmental Sustainability	Ensuring Sustainability in our business by reducing greenhouse gas emissions in our business operations and promoting Sustainability in our sphere of influence through the analysing environmental and social impact of Bank-financed transactions, i.e. responsible lending	Participate in international and multi-stakeholder initiatives to drive improved standards and progress of Sustainable Banking in Nigeria	Participated in the African Development Bank (AfDB) Environmental and Social Safeguards Clinic executed by Natural Eco Capital	Participate in international and multi-stakeholder initiatives to drive improved standards and progress of Sustainable Banking in Nigeria
		Incorporate energy efficiency equipment into new and existing buildings	Deployed hybrid power and renewable energy to 6 additional branches  Commissioned over 40 solar-powered ATMs nationwide.	Incorporate energy efficiency equipment into its new and existing buildings

# Economic Sustainability

## Sustainability Financing

Sterling is committed to providing innovative financial solutions that will aid the attainment of the Sustainable Development Goals, with a focus on addressing global planetary and societal issues such as climate change, education, financial inclusion, women empowerment and food security.

The unveiling of the HEART Sectors in 2017 was driven by our desire to provide financial products and services that create significant positive social and environmental impact in the communities where we operate.



## The HEART Strategy

2019 was an exciting year for our HEART sector business; we built on our efforts in 2018 and expanded our competencies to add value to the various sectors. Our investments in R&D also positioned us effectively to add value to the sectors. The HEART sectors provide us with the opportunity to grow our business despite the state of the economy while allowing us to enrich lives. For this reason, we continue to improve our efforts to expand the potential of these sectors. Our overarching strategy in the sectors are:

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

We will ensure that in our areas of operation, efforts will be made to improve human capital and encourage economic development and sustainability. To achieve these, the following are necessary:

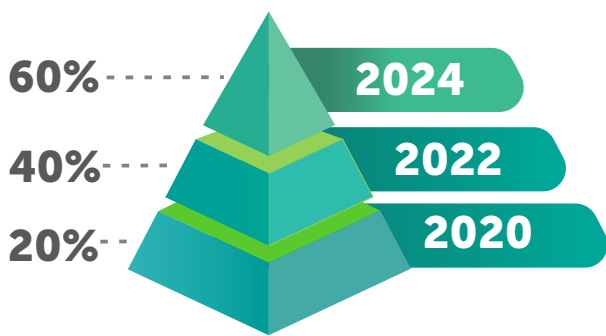
- A functional healthcare system supported by a clean environment.
- A sound educational system fed by an agricultural sector that ensures food security.

- Adequate power generation and a robust transportation system to move all economic resources.

Education, Good health and Healthy nutrition reduce the susceptibility to poverty and other challenges which suppress growth, and a clean environment enables a healthy life. As we proceed into 2020, we will continue to build our expertise across the sectors and immerse ourselves in the existing businesses within them at all levels. Our objective is to empower all players across these spaces and provide them with access to information, markets and capital to enable businesses. Building partnerships also exist at the core of our strategy as we realize that we cannot solve all the problems in isolation; hence we will continually create platforms and forums to enable global discussion and collaboration across the sectors.

With a growing SME sector, the Nigerian economy requires an increased focus on startups and existing SMEs to enable the businesses to expand significantly. Hence, we will focus intently on grooming SME businesses across the various sectors to enable them maximize their potential.

While we established holistic structures for this in 2019, 2020 will be a year to scale these efforts and widen our reach rapidly. We will also continue to substitute our portfolio to inject capital into these sectors using the following model;



**HEART Sector Investments**

As at the end of the year 2019, a total of N93.002 billion has been invested in the five (5) focus sectors, as shown below:

Sector	Amount (N'm)
Health	1,939.21
Education	1,156.77
Agriculture	39,643.35
Renewable Energy	493.14
Transportation	49,770.39



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.



Sterling Alternative Finance (SAF) Discover interest-free banking at its very best through Sterling Alternative Finance.



**Sterling Onepay** is our new personal Mobile and Internet banking solution with an omnichannel experience. The solution offers a wide range of banking, informational and lifestyle services that allows you to enjoy seamless banking experience on both mobile and web.



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



**One woman** The One Woman proposition comprises an array of value-add offerings developed to meet the financial, business and personal needs of the Nigerian working woman (professionals).



Farepay is a payment solution designed to improve the fee collection process on BRT bus schemes (such as Primero) and creating a pleasurable experience for customers. The customers' Farepay account comes with our contactless card. The card is linked to the Bank account of the customer for 'tap in' and 'out' on the BRT buses while commuting.



**i.Invest**

i-invest is designed as an I-invest mobile application to encourage people to build a savings and investment culture. It provides a fast, secure and convenient way to access investment products otherwise reserved for the elite for our customers.



**Double** is our investment platform which was developed to provide individual customers with the opportunity to invest at their convenience and get returns after some time.



**GoMoney** is our in-house virtual wallet system developed to enable diverse groups of people perform transactions in the most seamless way possible via the mobile app, website or USSD.



Alt Mall allows us to offer e-commerce with the flexibility of different payment options. Payment options include Sterling Pay and Alternative Finance.



Customer Profiler is a solution that allows Sterling's market-facing teams to sell offerings that exactly suit the preferences, behaviour, demography, and lifestyle of our prospective and existing customers.

## 2019 Financial Year Performance Highlights

(In Billions of Naira)	2019	2018	% Change
Gross earnings/Revenue	150.19	148.70	1.0%
Net Operating income	81.76	72.98	12.00%
Defined contribution plan (pension)	1.33	1.27	4.40%
Wages & Salaries	13.66	11.92	14.60%
Total operating expenses	71.0	63.49	11.97%
Income tax expense	0.07	0.27	74.07%
Profit After Tax	10.60	9.22	15.01%
Deposit from customers	892.66	760.61	17.36%

## Social Sustainability

### A Great Place to Work

At Sterling, we recognize that our people are our greatest asset; we cannot take leaps and bound in business without investing in the workforce that enables said business. To this effect, the Bank has changed its structure and has revamped its workplace culture. The Bank’s employee strategy prioritizes supporting people and building leaders; creating a high-performance culture and equipping our people with the competencies needed for the future.

We understand that work-life balance is a pre-requisite for optimal performance on the job. As a responsible employer, we strive continuously to provide a conducive and healthy work environment that offers the best condition for each employee.

As part of our commitment to feeling the pulse of our workforce, we make it a priority to engage employees and seek their opinion on any intended operational changes and integrate feedback into our decision-making process. In line with international best practice, we have established policies and guidelines covering grievance resolution,

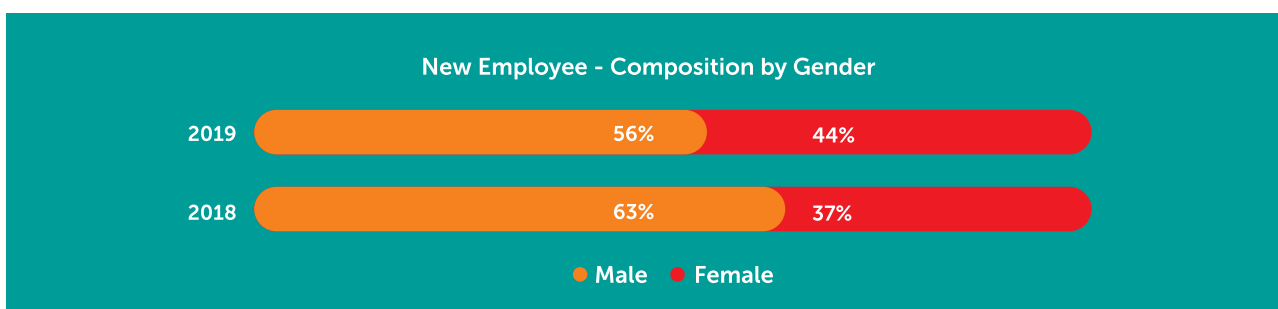
disciplinary procedures, paternity and paid maternity leave, employee training and performance management, and employee welfare programmes.

As a testimony to the effectiveness of our implemented employee welfare initiatives, Sterling Bank was recognized as the best in leadership at the 2019 Great Place to Work awards, the best workplace for the millennial generation and the third best place to work in Nigeria and Africa by the Great Place to Work awards

### Diversity and Equal Opportunity

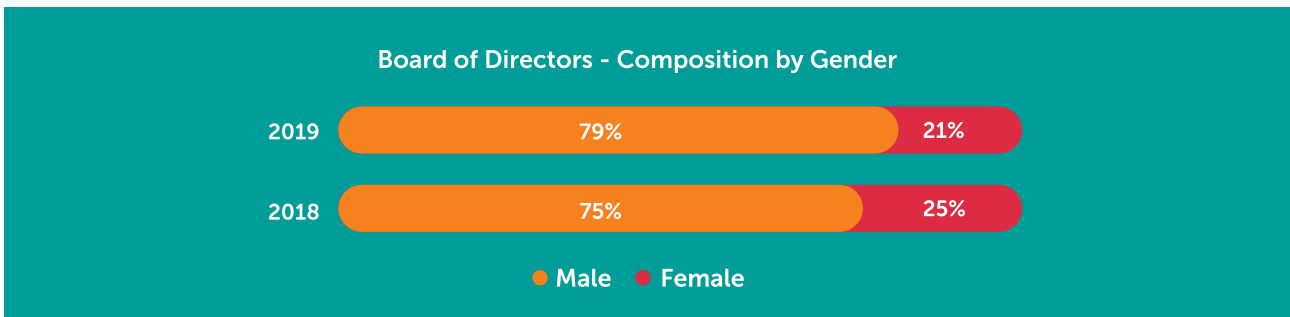
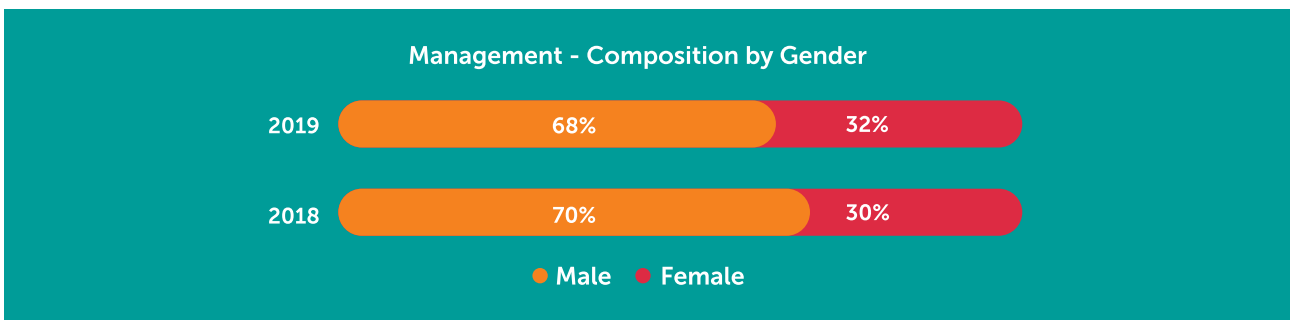
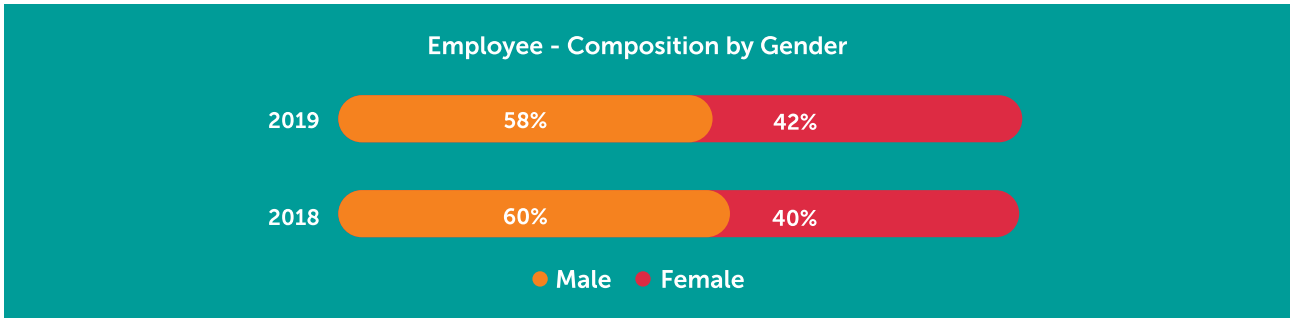
Sterling Bank is an equal opportunity employer; our hiring practices are based strictly on merit, competencies and organizational cultural fit, and are performed without prejudice to any attributes such as, but not limited to, gender, tribe, religion or physical traits.

A total of 419 new employees were inducted into our workforce in the year 2019, into positions ranging from Sales Associate and Executive Trainee to Deputy General Manager. The pool of new hires is comprised of 44.4% female and 55.6% male.





To affirm our commitment to diversity, gender equality and the maintenance of a non-discriminatory work environment, we have implemented a Diversity and Equality policy to uphold and promote an inclusive workplace, where every employee can thrive irrespective of their tribe, gender, religion, political opinion, nationality, social origin, disability or age. A break-down of our employee composition is shown below;



#### Occupational Health and Safety

The health and overall well-being of our employees are important to us, and we take the responsibility to provide a safe and sanitary work environment very seriously. We have developed a Health and safety policy to guide all employees on safety measures, and a dedicated Health, Safety and Environment unit is charged with ensuring compliance. Employees are required to observe health and safety rules and practices while notifying health officers of possible health & safety hazards observed in the work environment.

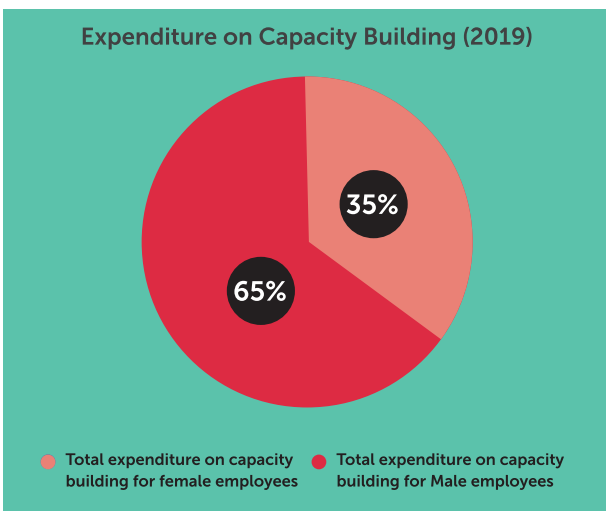
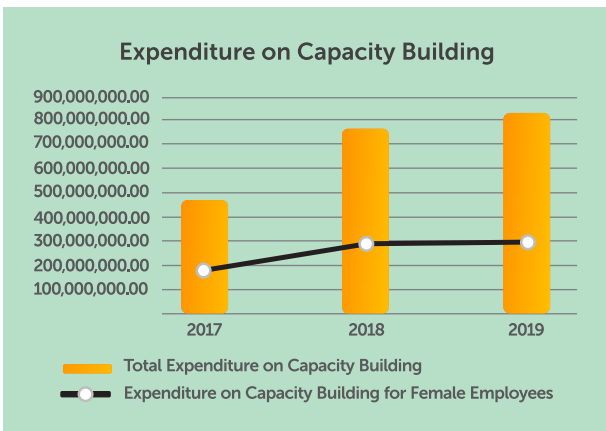
In addition to our health insurance coverage for employees, we have introduced an Employee Assistance Programme which offers workplace counselling benefits to employees; they have access to speak to professional counsellors at any time regarding various issues ranging from their personal to professional lives.

Also, this helps our female employees settle well after maternity leave. We have deployed clinical officers to our Head Offices to assist in delivering standard health care to staff members on minor health issues.

### Training and Career Development

The ability of our employees to meet the customer's needs is of paramount concern to us, as is the provision of support to employees, towards attaining set career goals. Our training and development strategy is geared towards empowering our people with knowledge and tools that prepare them for the future of work; we have made significant investments in equipping our people with skill in people management, process improvement, data analysis, project management, customer maintenance, product development amongst others. A variety of modes are employed in delivering these capacity building training, including; in-plant sessions, webinars, on the job seminars, conferences etc. We also have a dedicated Learning Management System that houses E-learning programmes and courses.

Employees undergo regular performance and career development reviews during which training needs are identified, and a training plan is set to ensure the continual development of our people. In the year under review, a total of N827.725 million, representing an 8.34% increase, as invested in employee capacity building.



### Human Rights, Child / Forced Labour

As a responsible bank, we will continue to promote and improve the enforcement of the human rights requirements of the Federal Republic of Nigeria, and we remain stoic in our commitment to developing and sustaining a structure that upholds human rights and to the continuous improvement of our human right protection and resolution mechanisms.

We recognize that to be sustainable in the long run; we must acknowledge and respect human and labour rights in our business operations and activities.

To this effect, we will prioritize respect for human rights in all our processes and practices, and we strive to respect the rights of people in our business operations and business activities.

We ensure to provide regular training and awareness programmes for employees across the Bank to reiterate our values on respecting human rights. Also, through continuous engagements, we advise and check that our clients and vendors are not involved in operational practices that trample on the rights of their employees or members of the communities in which they operate.

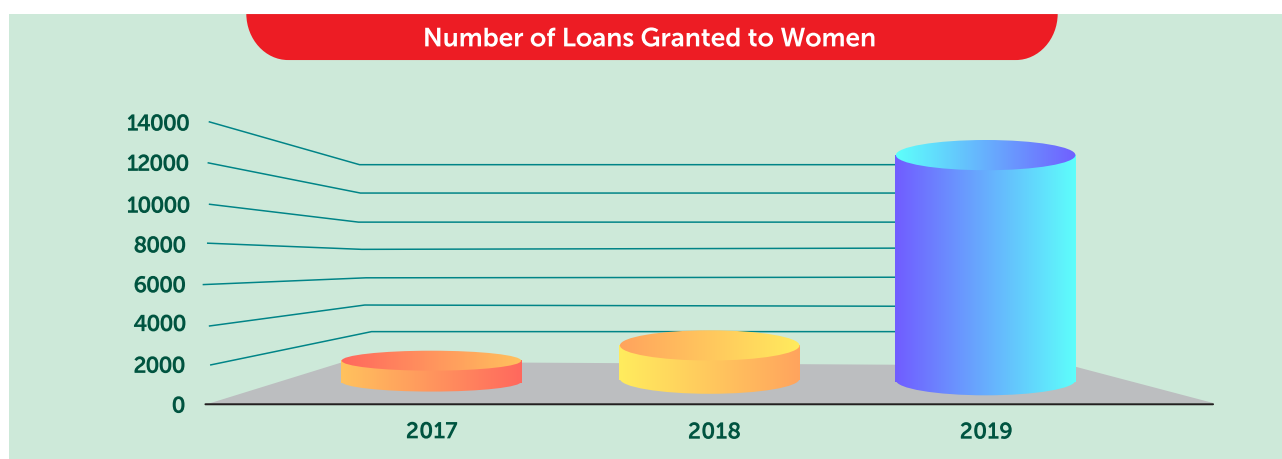
Plans are ongoing to put in place a human rights framework in line with global best practice, to guide our staff, clients and vendors/third-party service providers on respecting and protecting the rights of others, including children and the consequences of non-compliance with applicable laws. Training will also be conducted to instil these principles in the minds of all stakeholders further.

### Women's Economic Empowerment

At Sterling, we understand that gender equality is not only a fundamental human right but an important foundation for a prosperous and sustainable world. We recognize that our commitment to gender equality is integral to drive optimal performance and deliver societal change in the areas of equality, diversity and inclusion. Some of our focus areas include;

- Introduction of Behavioral Codes - Launched in 2018, the Sterling Behavioral Codes personifies our ethos to build a workplace that is safe and enabling for all, regardless of gender - a workplace devoid of all forms of abuse and discrimination, where female talent are consistently empowered, motivated and driven to do more and be more.
- Talent Acquisition programs - We are committed to enabling and unlocking the potentials of female employees. As part of our talent acquisition strategy, our Internship program, which focuses on leveraging the dynamism of young talents across a broad spectrum and unique skill sets have continued to give opportunities to individuals from diverse backgrounds. Since the program was revamped, we have hired over 100 interns, the majority being female. We have continued to expand the program by introducing variants such as 'Women in Banking', 'Women in Tech', etc.

Over 13, 900 loans with a corresponding value in excess of N10 billion were granted to women in 2019



### The One Woman Proposition

The One Woman proposition was designed to deliver solutions that provide a safe space for entrepreneurial, working and vulnerable women in Nigeria using technology, partnerships and finance.

We have committed to improving women economic empowerment through the development and promotion of dedicated female-oriented financial products & services focused on supporting women in business by granting them access to market and finance.

We organized series of business engagements for an extensive pool of businesswomen (SMEs) and discovered that their two biggest challenges are access to capacity development (i.e. Business management skills, Business structure and Financial education) and low-interest funding for their business, in response to that, we have implemented the following initiatives;

- **Partnerships** - We partnered with Enterprise Development Centre (EDC) of the Pan Atlantic University, the Murtala Mohammed Foundation, Flourish Africa (Folorunso Alakija) to train over 800 women in Lagos, Abuja and Port Harcourt to enhance their capabilities in Business Structure, Business Management and Financial education.

- **Access to Markets** – We have created discount partnership offerings and opportunities to register as merchants on the Bank's digital shopping platform (ALTMALL).
- **Investment Opportunities** – We have pioneered an investment offering where women can purchase gold with a flexible repayment plan. Other investment options include Double savings and I-invest.
- **The One Woman Newsletters** – The newsletters were created out of a need to engage our customers on their emotional wellbeing and offer support structures to women based on their lifestyles. We have received tremendous feedback since the launch of the maiden edition in September 2019.
- **Pink Month of October Cancer Awareness Campaign** – We have partnered with a philanthropy establishment to give 100 women free passes to get breast cancer check-up. A newsletter was specially designed to create awareness on the dangers of breast cancer and the benefits of getting checks done for early detection.
- **Mentorship "Train the Trainer" sessions** - We introduced mentoring programs for female employees to create awareness on the need to manage their careers and to network, broaden professional exposure and raise the profile of women in the organization; this is being achieved through the Bloom Network and other female-oriented initiatives like the Shopping Thursday campaigns and other value-added programs.

## Our Work in the Community

The drive to take a leadership position in line with the Sustainable Development Goals influenced the Bank's corporate social responsibility priorities in 2019. Consequently, the Bank's corporate citizenship efforts were primarily focused on Environment, Education and Empowerment, while the secondary focus was placed on Health and Agriculture.

### Education

Sterling Bank remains committed to Education because we recognize quality education as the foundation on which sustainable development is built. Also, education is critical to both global and local economic growth, social sustainability and the achievement of the Sustainable Development Goals. Projects executed in 2019 were done via partnerships and collaborations to achieve scale and multiply impact. Some of these partnerships include;

**The Teaching Network Foundation Partnership** - The Teaching Network Foundation (TTNF) is a platform to facilitate teachers' continuous professional development through collaboration and learning from each other. The Bank partnered with the foundation for the execution of all their quarterly face to face sessions and the training of over 3000 teachers directly and indirectly during the year. Other benefits include capacity building and personal development for the teachers that facilitated sessions and immense positive impact on the over 50,000 students taught by these teachers.

**Books and Arts Festivals** – As part of its continued commitment to being at the heart of Nigeria's accelerated development by focusing on critical sectors and the development of human capital and following past successes, Sterling Bank continued its sponsorship of the Kaduna Books and Arts Festival (Kabafest) in partnership with the Kaduna State Government, Book Buzz foundation and the Yasmin El-Rufai foundation and the Ake Art and Books Festival. The



festivals are aimed at boosting literacy, promoting reading culture, reigniting the passion for literary and performing arts in Nigeria as well as to create a haven for culture and literary enthusiasts to gather to dialogue as well as ideate.

**CNN #MyFreedomDay Art Project** - In partnership with Slum Art foundation, 196 children in Ijora-Badia, an underserved high-density settlement in Lagos, joined their counterparts from around the world to campaign against the scourge of modern slavery. The project saw the kids exposed to purposeful creativity and art. The Lagos campaign in the heart of Ijora-Badia was put together to draw the attention of everyday people, government agencies, non-state actors and well-meaning organisations to the need to protect the rights of every child as the only way to put an end to the new trend of slavery devouring the dignity of children.

**Lafarge Africa National Literacy Competition Partnership** -

We initiated a partnership with Lafarge Africa National Literacy Competition which seeks to contribute to the strengthening of public education to bridge the literacy gap in Nigeria. Launched in 2014, the Competition has grown to become a national initiative positively impacting children and teachers across the country. Over 700,000 primary school pupils in 1,665 schools across 544 local government areas (LGAs) have been impacted since inception. Promoting literacy and education over the years has proven to be an effective approach to alleviating poverty and improving the well-being of society.

This initiative is an intervention in Nigeria's education sector in line with the United Nations Sustainable Development Goal Four, which focuses on ensuring inclusive quality education and learning opportunities for all. It is positioned to help in achieving equality and fostering sustainable development across Nigeria. Computer-based testing (CBT) was introduced as a mode of assessment. The tests include a reading assessment exam using a questionnaire of forty



objective questions, summary writing, essay writing and an off-competition Spelling Bee. Other partners and endorsers of the project include the Universal Basic Education Commission (UBEC), Oando Foundation, the Ovie Brume Foundation, the TEP Center, the British Council and the Federal Ministry of Education.

**Girls Coding Programme** - The Bank partnered with the Pearls Africa Foundation, a social enterprise, founded to promote the cause and advancement of young girls and women with a focus on vulnerable young girls living in underserved communities through training in technology, skills acquisition, entrepreneurship, mentorship, and internship placements. The training programme provided the opportunity for the girls to rise above the challenges that hinder the girl-child from excelling in the fields of science, technology, engineering and mathematics while helping to guarantee future success, job security and equal opportunities with peers irrespective of race and gender. Thirty (30) young schoolgirls between the ages of 9 and 18, drawn from various secondary schools within the Makoko and Yaba axis in Lagos benefited from the programme.

**Financial Literacy training** - Financial literacy training was held during the year across the Bank's network, including the adoption of a school as part of the Central Bank of Nigeria (CBN) Financial Literacy Day celebration. This was organized to promote financial literacy and aid students' understanding of the concept. We partnered with the Central Bank and other institutions and engaged a total of 62,000 students during the 2019 Financial Literacy Day and Global Money Week. The theme was 'Learn. Save. Earn.' Cumulatively, the Bank, directly and indirectly, trained over 100,000 students across the country on financial literacy in the course of the year.

**Spelling Bee competitions** - Spelling Bee competitions were organized in various communities across the country to encourage and celebrate the English literacy of students.

## Empowerment

**iCreate Skills Fest** - We partnered with iCreate Africa to execute a Skills festival across three (3) regions in the country – South West, North and South East. Recognized as the Olympic of Skills, the festival is an innovative strategy designed to promote under-celebrated professions amongst youth as a means to curb unemployment and boost the economy. The 14 categories of competition included hairstyling, make-up, robotics, carpentry, tiling, automobile technology, leatherworks, etc. Other partners include GIZ, Robert Bosch Nigeria, AGR Ltd, Siemens Nigeria, The Fashion Academy Abuja, Soundcity, Society of Nigerian Artists, ULDA, Pedini among many others. The vision is for iCreate Africa to facilitate the creation of five million (5,000,000) jobs in five (5) years by empowering one million people (1,000,000) who will, in turn, employ at least five (5) people. Our partnership with iCreate Africa aligns with Sustainable Development Goal 1, which calls for an end to poverty in all its manifestations. We are driven by the awareness that the creation of productive employment opportunities is essential for achieving poverty reduction, including sustainable economic and social development."

**The Pitch Nigeria** - The Pitch Nigeria provided a platform for startups and emerging businesses in Nigeria with interesting and exciting business ideas, to pitch for financial and necessary business support which will enable them to thrive. The 'Pitch Nigeria' draws attention to the small and medium-scale enterprises (SMEs) in Nigeria's economy and their drive to solve problems and create wealth. Sectors focused on were Health, Education, Agribusiness, Renewable Energy, Transportation, Fashion, Hospitality, Information and Communication Technology. Over 1,000 participants enrolled for the Pitch. The best 200 pitches were selected, and this was further drilled down to 50 who attended a three-day boot camp as part of the Sterling Bank "SME Academy". High-intensity workshops, seminars, roundtables and coaching sessions were executed at the boot camp to accelerate the development of the key skills they have identified to enable their businesses to succeed. Top finalists got grants to the tune of ten million Naira (N10million) and business support service.

**The NESG Start-Up Pitching Challenge** - We supported the Nigerian Economic Summit Group (NESG) start-up pitching event in partnership with Venture Garden Group and its



*Financial Literacy Engagement with pupils of Corona School, Ikoyi – Lagos*



*Financial Literacy Engagement with secondary school students*

startup investment/acceleration arm, [GreenHouse Capital](#) to fund early-stage ventures with grants up to fifteen thousand dollars (\$15,000). This collaborative effort empowered Micro, Small, Medium Enterprises (MSMEs) with capital.

Prior to the final pitch event, GreenHouse Capital hosted the 10 pitch competition finalists at their Vibranium Valley tech hub for an intensive, week-long boot camp aimed at helping them improve their business models as well as preparing their pitches for the grand finale by providing valuable resources such as advisory, mentorship, hands-on training and technical assistance propelling them towards investor readiness. The ten (10) ventures that made it to the finals were Agriple, Notitia, Phaheem Pharmaceuticals Limited, Tiny Hearts Technology, AfriNET Power Tech Solutions, Doctoor E-Health Ltd, GatePass, Loystar, Gricd Services Limited and Green Axis. 60% of them belong to the tech industry, with 50% software-enabled pitches while 40% of the companies that made the final list have women in leadership positions. The top finalists got grants ranging from US\$2,500 to US\$15,000, and all finalists are receiving support from the NES and its partners through the NESG Innovation Fund.

**Donations to Internally Displaced persons** - The Bank made substantial donations to help alleviate the sufferings of Internally Displaced Persons in Nasarawa State, Northern Nigeria. In partnership with a crowdfunding platform, Giving.Ng, the Bank and employees donated to families at the Kutara Tataradna Internally Displaced Persons (IDP) camp in Nasarawa state.

The donations were made during the yuletide season. Over 240 individual and corporate donors contributed to the project. Other corporate partners included 7Up Bottling company, Eat Drink Festival and Ella's Food Bank.

## HEALTH

**Managing Medical and Obstetric Emergencies and Trauma (mMOET)** - In line with our passion to reduce maternal mortality and save lives, the Bank supported the Managing Medical and Obstetric Emergencies and Trauma (mMOET) Course organized by Advanced Life Support Group (ALSG), in partnership with the Department of Obstetrics and Gynaecology of the College of Medicine, University of Lagos/Lagos University Teaching Hospital (LUTH), Dr Adebimpe Matiluko of the University of Leicester, UK and the Maternal and Reproductive Health Research Collective, Lagos Nigeria.

The training was designed to provide insight and understanding regarding the key concepts, discuss practical steps in the management of obstetrics emergencies and trauma. There were twenty participants in attendance and the facilitation techniques ranged from practical demonstrations to simulations, brainstorming group discussions, and practical implementation of some of the discussions by the candidates using mannequins and basic obstetric and anaesthetic tools/instruments. The training was done with a train-the-trainer model so other

professionals across the country could also be empowered to save the lives of expectant mothers, thereby increasing impact.

**Malaria Advocacy Project** – Support for Anave Movie - Inspired by the statistics which showed that malaria is responsible for the death of an average of 300,000 children and 11 per cent of all maternal deaths each year in Nigeria, the Bank partnered with the Malaria, Child, Maternal Mortality Eradication (MACMME) project to produce a movie titled 'ANAVE' in an effort to bring greater awareness to the plight of the less privileged Nigerian child and mother inflicted by the malaria scourge.

The MACMME project is an advocacy project which seeks to reduce the gruesome rates of maternal and child mortality attributable to preventable causes such as malaria, homelessness, hunger and opportunistic diseases in Nigeria. The vision of the MACMME project is to establish viable solutions for improved quality of life for the underprivileged Nigerian such as homeless shelters with access to basic healthcare, rehabilitation and empowerment programmes.

**World Menstrual Hygiene Day** – In collaboration with Sanitary Aid Initiative and the Gender Equality and Empowerment Network, we marked the commemoration of World Menstrual Hygiene Day with an outreach and donation of sanitary hygiene kits to female senior secondary school students

**AGRICULTURE**

**Agriculture Summit Africa 2019** - Also, to drive capacity building and enabling the industry value chain, the Bank invested in the Agriculture Summit Africa which was attended by players in the agriculture value chain across the continent. Delegates came from 30 countries, and invaluable content was shared on the various developments in the Agriculture sector with an analysis of the implications of the emergence of the African Continental Free Trade Area (AfCFTA) which will accelerate intra-African trade and boost Africa's trading position in the global market by strengthening Africa's common voice and policy space in global trade negotiations. Two thousand (2,000) delegates benefited from this event which held at the Transcorp Hilton Hotel, Abuja and an additional 1,400 industry players benefited from the online streaming of the event.





**Employment generation** - To promote sustainable wealth creation and employment opportunities in our communities, a significant portion of the human resource for the Bank's branch network and support services are sourced from local communities. Low-cost financing is also provided in some cases to ensure that we create a sense of belonging for the communities in which we operate. The employment of school-leavers from local communities promotes the economic development of the society and improves the standard of living while boosting capacity for higher responsibilities for indigenes.

Job creation is further enhanced by the Bank via the financing of various small and medium enterprises and the provision of financial advisory services to help build capacity for entrepreneurs.





**Corporate Social Responsibility (CSR) Project Summary Report**

Project Name	Location(s) of Project	Amount Invested (N)	Number of Participants Involved
Environmental sustainability partnership with State Governments	Bauchi, Lagos, Maiduguri and Sokoto	52,324,000	500 +
Arts Books and Arts festival	Lagos.	44,000,000	3,000+
Other Donations and collaborations	Lagos, Abuja	41,250,000	5,000+
Eat Drink Festival	Abuja and Lagos	26,000,000	10,000+
Support for Medical awareness	Lagos and Anambra	20,090,000	4,000+
ICREATE Skills fest	Enugu, Kaduna and Lagos	20,000,000	5,000+
Nigeria Economic Summit Group Start-up pitching challenge	Abuja	20,000,000	2,000+
Education support for Schools	Edo, Ogun, Jigawa, Kwara Kogi, Kaduna, Niger, Benue, Gombe, Bauchi, Plateau, Abuja, Osun, Ogun, Imo, Delta and Lagos	6,750,000	5,000+
Training & Support for Film Producers	Lagos	5,500,000	2,000+
Racing for Sustainable Development Goals	Abuja	5,000,000	200+

**Corporate Social Responsibility (CSR) Project Summary Report (cont'd)**

Project Name	Location(s) of Project	Amount Invested (N)	Number of Participants Involved
Support for World Clean Up day execution	Kaduna, Makurdi, Lokoja, Minna, Kagoro, Uga, Onitsha, Awka, Enugu, Port-Harcourt, Yenogoa, Ekiti, Akure, Oshogbo, Ibadan, Ado, Ekiti. Ilorin, Abuja, Bowen, Sura & Lekki Lagos.	2,100,000	2,000+
Borehole for Katampe	Abuja	1,287,000	50+
Support for Digital literacy	Lagos	1,000,000	200+
Support for SMEs initiatives	Lagos	525,000	200+
<b>Grand Total</b>		<b>245, 826,000</b>	

**Supply Chain Management**

Sterling Bank's procurement activities, as well as the management of its relationship with suppliers, vendors and third-party service providers, is the responsibility of the Procurement and Vendor Management unit, the sourcing processes at Sterling do not only consider price and quality but also make sure that equipment and services are ethically sourced and are not produced at the detriment of the environment and society.

Knowing the extent to which our supply chain affects our service delivery and brand reputation, we have developed a third-party framework which entails our supplier code of conduct, a questionnaire for sustainable practices and an assessment process which would be used to gauge and score our vendors on sustainable practices. Plans are underway, to conduct an Environmental and Social Risk training for our vendors/third-party service providers to help improve their sustainability practices.

A screening process with criteria that factors in the environment is being developed to achieve the following;

- Ensuring the bank engages suppliers that practice environmentally friendly and sustainable business practices
- Partnering with suppliers and helping them to improve and/or develop capabilities around environmental and sustainable business practices
- To build the E&S capacity of our major service providers, aimed at improving their E&S performance and mitigating the Bank's exposure to E&S risk due to the vendor's activities.
- Improve stakeholder engagements and business relationship with our key service providers.

We have embedded non-discriminatory and equal opportunity considerations into our procurement practices, and we actively encourage the engagement of local and female suppliers and service providers for the provision of goods and services.

## Environmental Sustainability

As a responsible financial institution, we remain firmly committed to the management of the ecological impacts of our business operations; extensive measures have been put in place to ensure the effective measurement, continuous monitoring and management of our environmental footprint to identify areas for improvement.

We benchmark our performance against external environmental certifications, and we ensure that environmental considerations are factored into our decision making as well as our operations.

### Waste Management

In 2019, we intensified our focus on environmental sustainability while leading public and private sector advocacy to raise consciousness on protecting the environment. Notable investments by the brand are highlighted below:

#### Waste Management Partnerships

Our decade-old partnership with the Lagos State Waste Management Agency (LAWMA) was effectively sustained; we worked with the institution to keep Africa's largest metropolis clean. While the demands of keeping the city clean have increased, we remain committed to this partnership and see it as a joint responsibility. In line with our focus on expanding impact across the country, we expanded the waste management initiative to four more states - Sokoto, Bauchi, Gombe and Maiduguri. This brings the total number of our partner states to 28. These partnerships involved kitting out over 30,000 street sweepers across the country, as well as, sponsorship of the LAWMA awards ceremony where outstanding workers were celebrated and rewarded. Our target is to take this laudable investment to every state in the country.

#### Sterling Environmental Makeover

The 2019 Sterling Environmental Makeover (#STEM) initiative was executed during the World Clean Up and International Coastal Cleanup Day, on September 21, in 22 States of the country. In Lagos, the team executed both a street cleaning and beach clean-up exercise with various organizations including GreenHub Africa, Dupont, Clickatell, Heritage Place, Tek Experts, Bolt, Dispose Recyclers and the Beach Restoration Project. Other locations where the exercise was conducted include Kaduna, Makurdi, Lokoja, Minna, Kagoro, Uga, Onitsha, Awka, Enugu, Port Harcourt, Yenogoa, Ekiti, Akure, Oshogbo, Ibadan, Ado Ekiti, Ilorin, Abuja, etc.

Also, the Bank partnered with Recycles Pay to turn Waste to Wealth; recyclables collected at several events/locations



were sold, and the proceeds were used to finance the education of school-age children, who with their families live in the Ajegunle area of Lagos state.

**Carbon Footprint Management**

Carbon emissions remains a significant environmental impact from our business operations via the combustion of fossil fuels to power our business locations and business travel. Thus, we have developed a Carbon Footprint Policy that underscores our commitment to managing the environmental impact of our business operations, and we have set a 3-year target to reduce our Carbon Footprint by a minimum of 5% over three (3) years ending in 2020.

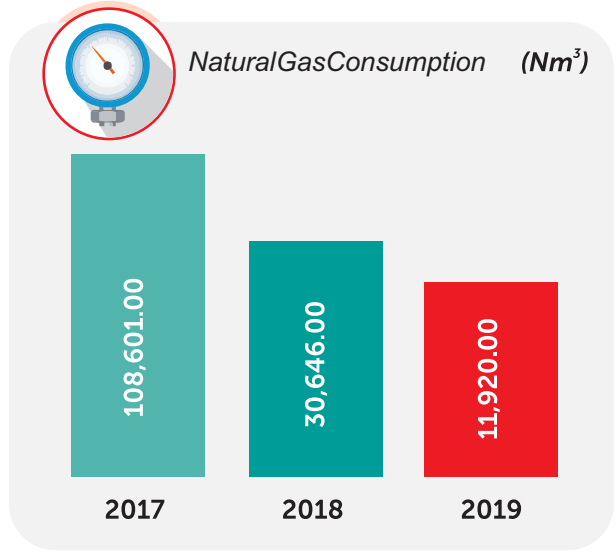
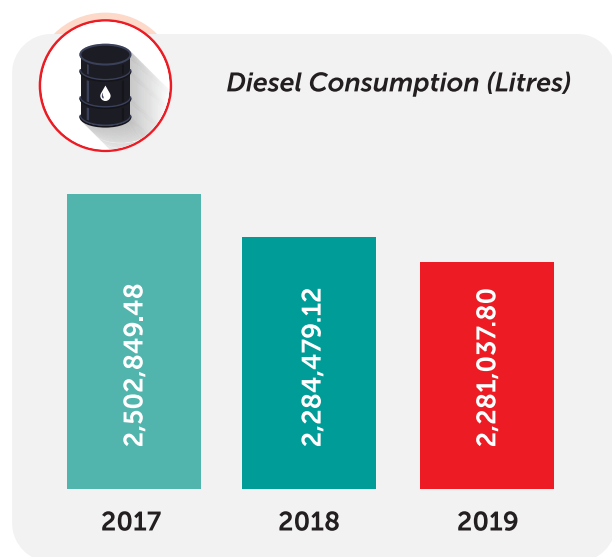
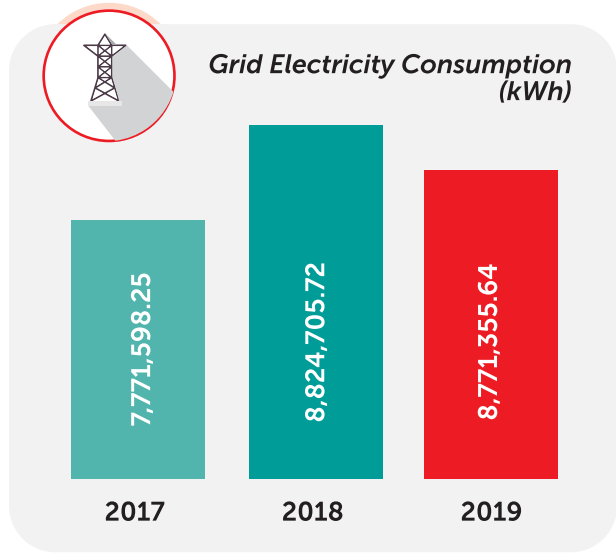
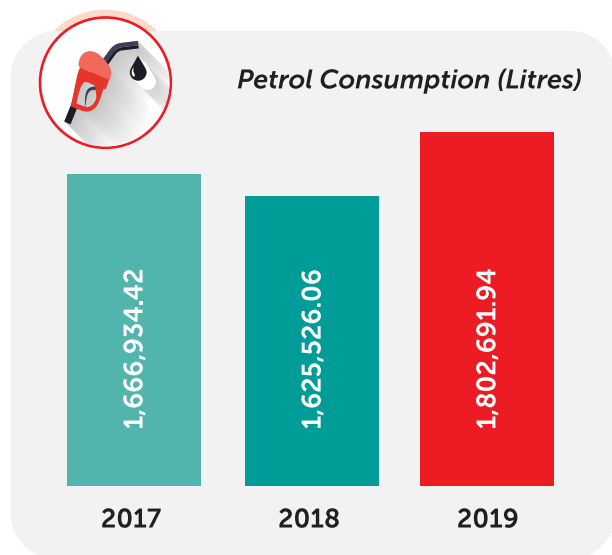
The charts below show the resource consumption for the Bank over the last three (3) years.

**Notes:**

- During the year, Petrol (PMS) and Diesel (AGO) consumption increased by 10.90% due to an increase in the number of pool cars and 3.53% due to business expansion, respectively while grid electricity and natural gas consumption fell by 0.60% and 61.10% respectively.
- The total GHG emitted by the Bank’s business operations increased marginally by 0.43% from 14,811 tCO<sub>2</sub>e in 2017 to 14,876 tCO<sub>2</sub>e in 2019.

**Energy-Saving Initiatives**

We have made significant investments in driving energy efficiency; these have enabled us to operate with a smaller environmental footprint. Specifically, our total grid



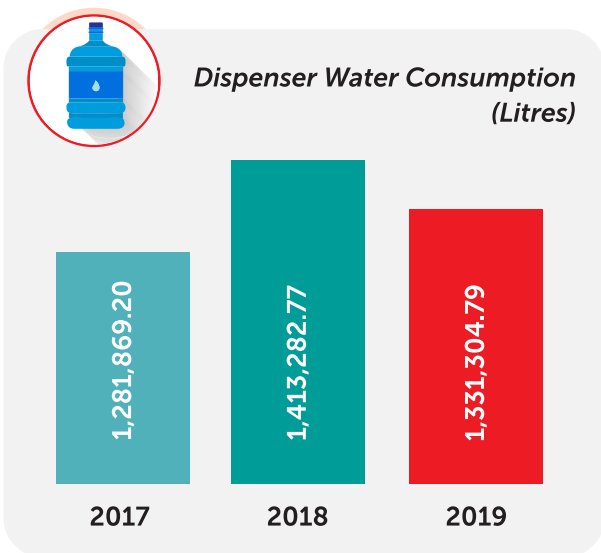
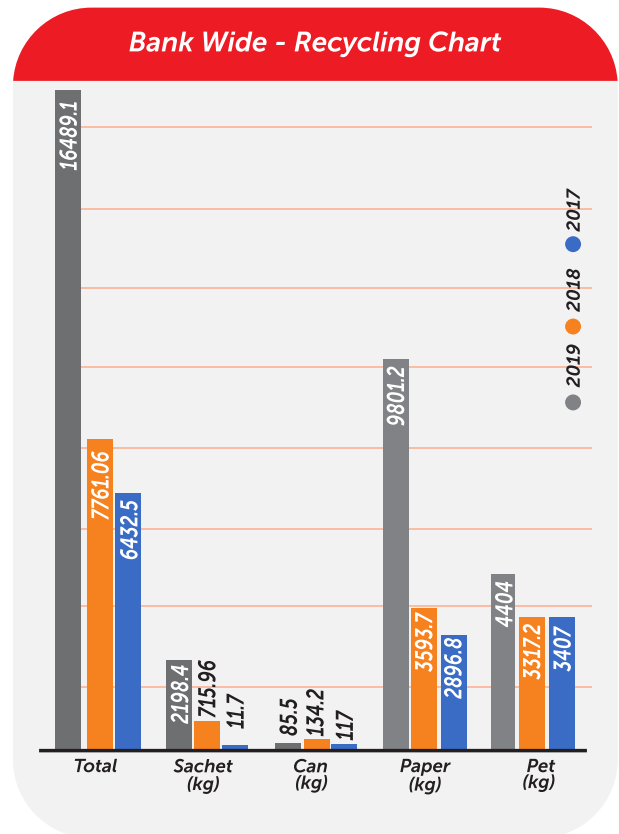
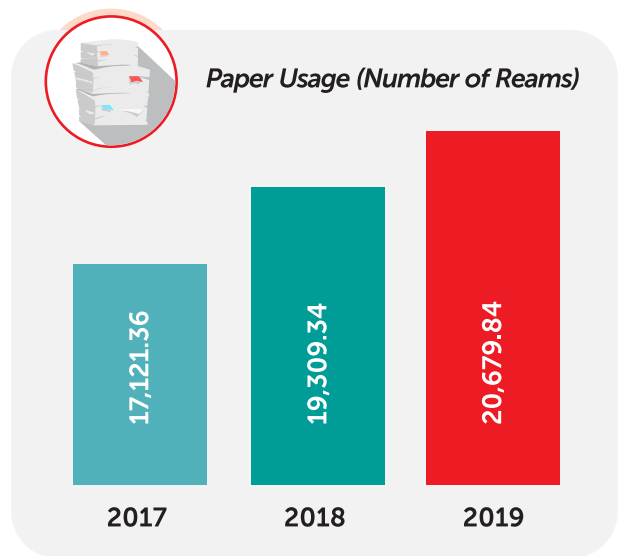
electricity consumption fell by 53,350 kWh in 2019. We will continue to implement measures to ensure our environmental impact with regards to greenhouse gas emissions, electricity and paper consumption are kept at an absolute minimum.

We maintained our Power As A Service strategy bringing the total number of our business location on renewable energy and hybrid power solutions to 47 locations; these come with low energy consuming and environmentally friendly air conditioners and fittings to manage our greenhouse gas emissions further. Forty-one (41) additional solar-powered ATMs were commissioned, bringing the total number of ATMs on renewable energy and hybrid power solutions to 230.

**Recycling**

In the year under review, we maintained our partnerships and collaborations with our recycling partners to maintain the Bank's commitment to maximizing resources, creating as little waste as is practicable and the reuse and recycling of materials.

The total quantity of waste picked up for recycling from our business locations increased significantly by 112.46% from 7,760.88 kg in 2018 to 16,489.10 kg in 2019, due to the increased efficiency of our waste categorization processes.



To further aid our recycling process and ensure data protection, we engaged Dataguard to shred obsolete files and documents. A total of 6,787.70 kg of paper was recycled during the exercise; this brought about a marked increase in the quantity of paper picked up for recycling.

We actively encourage employees to adopt sustainable lifestyle habits through campaigns that raise awareness of how individuals actions can bring about lasting change. One of such is our **Paperless Campaign** which was launched to encourage the automation of processes and minimize bank-wide paper consumption.

*The table below shows the resource consumption of the bank over the last 2 years.*

RESOURCE	2018	2019	% CHANGE
PMS Consumption (Litres)	1,625,526.06	1,802,691.94	10.90%
Co2 Emission from PMS (KgCO2e)	3,757,728.59	4,167,282.96	10.90%
Diesel Consumption (Litres)	2,284,479.12	2,281,037.80	-0.15%
Co2 emission from Diesel (KgCO2e)	6,094,076.49	6,084,896.44	-0.15%
Grid Electricity Consumption (kWh)	8,824,705.72	8,771,355.64	-0.60%
Co2 emission from Grid Electricity (KgCO2e)	4,629,440.62	4,601,453.17	-0.60%
Natural Gas Consumption (Nm <sup>3</sup> )	30,646.001	1,920.00	-61.10%
Co2 emission from Natural Gas (KgCO2e)	57,829.042	2,491.34	-61.11%+
Total CO2 emissions from Business Operations (KgCO2e)	14,539,074.74	14,876,123.91	2.32%
Dispensed Water Consumption (Litres)	1,413,282.77	1,331,304.79	-5.80%
Paper Consumption (Reams)	19,309.34	20,679.84	7.10%
Total Waste Generated (kg)	1,105,220.31	1,607,303.21	45.43%
Total Waste Recycled (kg)	7,760.88	16,489.10	112.46%

Going forward, we will maintain our commitment to the environment, and we will continue setting ambitious targets to manage our footprint.

## Governance

Our Environmental, Social and Governance (ESG) performance is high on our priority list, and we have established a clearly defined governance structure for the continued creation of long term value for all of our stakeholder groups.

Our decision-making body, the Board of Directors, is headed by the Board Chairman and is comprised of individuals who embody the right personal qualities for effective stewardship in addition to the required technical abilities and business acumen. The Board of Directors is elected by, and accountable to, the company's shareholders for the appropriate and effective administration; making decisions concerning the bank's policies, strategy, risk management approach, culture, etc. and also with ensuring compliance with regulatory and statutory requirements.

### Environmental and Social Risk Management (ESRM)

Sterling Bank has adopted a philosophy of building a stable financial institution through the effective management of risks; the Bank has implemented several policies and procedures for risk identification, measurement, management and control.

Sterling is committed to the continuous improvement of the Environmental and Social Risk Management System (ESRMS) in its business operations and activities in compliance with the Nigerian Sustainable Banking Principles, Environmental and Social (E&S) regulations and best practice. We uphold the consideration of E&S risk assessment in our credit appraisal process to ensure the exposure of our credit portfolio to E&S risks are adequately managed within acceptable limits and identify new business opportunities with environmental, social and economic benefits.

The incorporation of sustainability into our business strategy and work procedures will continue to safeguard our economic viability through the implementation of our Sustainable Banking Policy to ensure thriving financial performance. Our sustainable actions will make Sterling a key player in the development of a prosperous financial sector and an enabler of economic and social development in alignment with SDGs 2030.

### Ethical Conduct and Whistle blowing

We have developed and implemented a set of distinct behavioural codes which highlight specific attributes that employees are expected to possess and display in daily interactions with both internal and external stakeholders. These are expected to ensure the achievement of optimal productivity while encouraging civil behaviour and a mutually enjoyable work environment.

Our commitment to the highest standards of accountability and good corporate governance necessitated the implementation of comprehensive grievance redress and whistleblowing mechanism in compliance with the Central Bank's guidelines which includes a whistleblowing policy and numerous channels including a hotline, and email addresses for both internal and external stakeholders by which suspected breaches of the Bank's policies, processes and any unethical activity can be reported, for necessary action. Our whistleblowing mechanism ensures transparency and guarantees confidentiality and the anonymity of the whistleblower.

### Anti-Corruption

Sterling remains committed to working against all forms of corruption, fraud, and unethical behaviour. We have in place, robust mechanisms for the prevention, detection and mitigation of these crimes and we ensure that anti-corruption procedures are embedded throughout the bank. We have implemented a Fraud Prevention and Detection policy, a Disclosure Policy, a Gift policy, a Customer acceptance policy, an Enterprise Risk Management policy and an anti-bribery and anti-corruption compliance policy geared towards the checking against and preventing financial crimes and unethical behaviour. We conduct regular fraud, risk and control self-assessments and have established an Anti Fraud Unit which runs a 24-hour transaction monitoring service to ensure early detection and fraud prevention.

## Codes, Standards and Guidelines

The following codes, standards and guidelines underpin the Bank's approach to sustainable governance:

### United Nations Global Compact

As a participatory member of the United Nations Global Compact (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 our supply chain. We will also work at raising awareness and understanding of how the financial sector impacts society, and how a shift in priorities and ways of working is crucial at this time.

### International Finance Corporation (IFC) Performance Standards

Sterling Bank adopted the IFC performance standards 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 and E&S regulatory requirements.

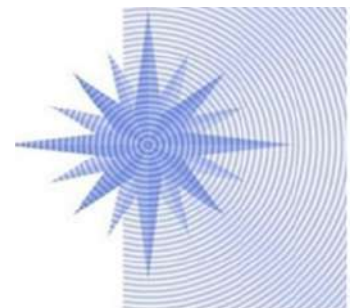
### Wolfberg Group

We are compliant with the Group's anti-money laundering standards.



*Creating Markets, Creating Opportunities*

**the  
Wolfsberg  
Group**





## Nigeria 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 Bankers Sub-Committee on Economic Development and Sustainability in September 2012 marked a new phase for the Sustainability in the Nigerian financial services sector.

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

NSBP PRINCIPLES	EXPECTATIONS	2019 ACHIEVEMENTS and CUMULATIVE PROGRESS
<b>Principle 1: Our Business Activities: Environmental and Social Risk Management</b>	To integrate environmental and social considerations into decision-making processes relating to Business Activities to avoid, minimise or offset negative impacts	<ul style="list-style-type: none"> <li>We have implemented an Environment and Social Risk Management System 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&amp;S risk impact of credit transactions within 11 sectors of the economy.</li> <li>Two hundred and thirty-four (234) credit requests were screened this year, bringing the total number of credit request screened for E&amp;S risk since inception (2014) to 721. The Construction, Agriculture, Oil &amp; Gas and Manufacturing sectors accounted for 27.78%, 20.09%, 18.38% and 18.38% of the total number of transactions screened.</li> <li>Seventeen (17) E&amp;S risk monitoring visits were conducted in 2019; this brings the total number of E&amp;S risk visit to forty-five (45).</li> </ul>
<b>Principle 2: Our Business Operations: Environmental and Social Footprint</b>	To avoid, minimise 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.	<p>In a bid to manage our carbon footprint, Sterling bank has implemented several strategies such as:</p> <ul style="list-style-type: none"> <li>Commissioning of a 45Kwh Hybrid Solar project at the Head office annexe, Ilupeju.</li> <li>Deployment of energy outsourcing solution to 47 branches.</li> <li>Electrical load optimization, which involved rightsizing and downsizing of Generators and electrical appliances at several branch locations.</li> <li>Outsourcing of pool cars from non-market facing staff, which lead to a reduction in company fleet vehicles from 889 vehicles in 2016 to 765 vehicles as of December 2019.</li> <li>Implementation of a Print as a Service Initiative at business locations.</li> <li>230 ATMs are powered by alternate sources of energy.</li> </ul>
<b>Principle 3: Human Rights</b>	To respect human rights in our Business Operations and Business Activities	<ul style="list-style-type: none"> <li>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 <a href="mailto:whistleblowing@sterling.ng">whistleblowing@sterling.ng</a> or <a href="mailto:kpmgethics@ng.kpmg.com">kpmgethics@ng.kpmg.com</a></li> <li>167,262 customer complaints were resolved via the Bank's Contact centre compliant resolution mechanism in 2019. W</li> <li>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.</li> <li>Human right risks are assessed, and mitigations are proffered for credit requests within the E&amp;S Risk Coverage sectors.</li> </ul>

NSBP PRINCIPLES	EXPECTATIONS	2019 ACHIEVEMENTS and CUMULATIVE PROGRESS
<b>Principle 4: Women's Economic Empowerment</b>	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"> <li>As of December 2019, female representation on the Board of Directors was at 21%, while the ratio of women to men in the bank stood at 42% to 58% respectively.</li> <li>Creation of the Bloom Network for Sterling Women to promote gender diversity and increase women representation at all decision-making levels of the Bank.</li> <li>13,957 loans valued at over N10 Billion were granted to women and women-owned businesses in 2019.</li> </ul>
<b>Principle 5: Financial Inclusion</b>	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"> <li>20,021 accounts were opened for unbanked individuals who received financial services or products for the first time.</li> <li>20,021 accounts were opened for unbanked individuals who received financial services or products for the first time.</li> <li>7,402 new agents were registered on the mobile banking platform.</li> <li>Some of our financial inclusion product offerings include <i>The Sterling I Can Save</i> account along with our <i>E-money Box</i> to provides financial literacy opportunities for children at an early age, <i>The Sterling Kia Kia</i> account, <i>MSME Academy</i> for SMEs and small-scale businesses, <i>Zero-to-Export Finance Training</i> etc</li> </ul>
<b>Principle 6: E &amp; S Governance</b>	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"> <li>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.</li> <li>Regular internal and external audit assessments of our processes and procedures are conducted, and identified gaps are addressed.</li> </ul>
<b>Principle 7: Capacity Building</b>	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 and operations	<ul style="list-style-type: none"> <li>In 2019, we conducted 23 capacity-building training sessions and a total of 1,169 participants, through specialized training, On-boarding training sessions and the IFC/World Bank Sustainability E-Learning Training Programme.</li> <li>We developed an E-Learning course on the NSBPs for all employees.</li> </ul>
<b>Principle 8: Collaborative Partnerships</b>	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"> <li>In 2019, we renewed our subscription as a participatory member of the United Nations Global Compact - which focuses on Human Rights, Labor, Environment and Anti-Corruption and we partnered with several local and international organisations to support sustainability initiatives.</li> <li>We partnered with Government and NGOs on our community investment initiatives.</li> </ul>
<b>Principle 9: Reporting</b>	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"> <li>We have published our Annual Sustainability Report for four consecutive years and have conducted independent external assurance of our sustainability reports for the years 2016, 2017 and 2018.</li> <li>We will continue to adequately inform our stakeholders on our progress regarding our commitment to the Sustainable Banking Principles.</li> </ul>

## Sustainable Development Goals Report

In September 2015, the United Nations announced a set of 17 Sustainable Development Goals (SDGs) which are geared towards ending poverty, protecting the planet and ensuring that all people enjoy peace and prosperity as part of the 2030 Agenda for Sustainable Development. Shortly after, the Paris Agreement on climate change was adopted by 195 countries, underscoring the need to limit the rise of global temperatures. At Sterling, we believe that we have a role to play in promoting sustainable development, including the transition to a low carbon economy and creating wealth for the growth of the economy. As at the end of the year 2019, we invested over 104 billion Naira into our five focus sectors which directly contribute to the achievement of the United Nations Sustainable Development Goals – Health, Agriculture, Renewable Energy, Education and Transportation.

Sustainable Development Goals (SDGs)	Our Contribution
<p><b>SDG 1: No Poverty</b> End poverty in all its forms everywhere</p> <p><b>SDG 2: Zero Hunger</b> End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<ul style="list-style-type: none"> <li>Through our financial inclusion services such as the agent banking solution, we have been able to provide financial services including microfinance to low-income communities, small and medium enterprises and the hitherto financially excluded, while also providing jobs for mobile agents.</li> <li>Sterling was chosen as the sole participating bank for loan administration, management, and account services under the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)/CBN Anchor Borrowers Programme. Our partnership with NIRSAL/CBN on the Anchor Borrowers fund, has been able to promote modern agricultural practices, thereby improving food security by reducing production time, increasing yield and storage targeted at over 5000 farmers across 10 States - Ogun, Ondo, Osun, Bauchi, Jigawa, Kano, Zamfara, Gombe, Enugu and Imo state.</li> <li>Our partnership with AFEX Commodities Exchange Ltd (AFEX) and Binkabi to have been able to streamline the process of financing agriculture for small-scale farmers and other players in the commodities markets.</li> <li>Through our Sterling Bank Farmers radio show, we have been able to educate farmers on modern agricultural practices and financial literacy across 13 northern states</li> <li>We organized the Agriculture Summit Africa, a platform for various players including private and public investors to discuss the opportunities that exist in Africa's Agricultural sector and how to harness same for sustainable development and wealth creation.</li> </ul>
<p><b>SDG 3: Good Health and Well-being</b> Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> <li>As part of our strategy to build expertise in focus sectors (Health, Education, Agriculture, Renewable energy, and Transportation), we have made significant investments in the health sector, by funding the provision of Hospital equipment and infrastructure, promoting medical technology and improved technical capacity across the industry</li> </ul>
<p><b>SDG 4: Quality Education</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	<ul style="list-style-type: none"> <li>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 that allows easy learning and dissemination of information to students and teachers.</li> </ul>
<p><b>SDG 5: Gender Equality</b> Achieve gender equality and empower all women and girls.</p> <p><b>SDG 8: Decent Work and Economic Growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> <li>Sterling Bank is committed to maintaining an organizational culture that exemplifies the Bank's commitment to the development and empowerment of female employees and clients. We launched our 'One Woman' proposition in 2017 - an initiative focused on supporting women in business by granting them access to unique market and finance products and services.</li> <li>Sterling Bank is committed to implementing initiatives treated at improving staff welfare within our business operations. In line with international best practice, we have established policies and guidelines covering grievance resolution, disciplinary procedures, paid maternity and paternity leave, employee training and performance management, and employee welfare programmes. We do not discriminate the physical challenged during our recruitment process.</li> <li>We introduced an Employee Assistance Programme that avails employees access to counseling in 2019.</li> </ul>

Sustainable Development Goals (SDGs)	Our Contribution
<p><b>SDG 7: Affordable and Clean Energy</b> Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<ul style="list-style-type: none"> <li>As part of our focus sectors, we are committed to making significant investments towards research &amp; development, capacity building, innovation and technology upgrades in the Renewable Energy sector. We officially established a Renewable Energy Unit in February 2018 to drive our initiatives in this sector.</li> <li>We have established partnerships with Development Financial Institutions (DFIs) to provide finance to renewable energy businesses, and other stakeholders within the sector on product development, capacity building for technicians and business owners, awareness creation and sponsorship of renewable energy events.</li> </ul>
<p><b>SDG 8: Industry, innovation and infrastructure</b> <b>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</b></p> <p><b>SDG 11: Sustainable cities and communities</b> <b>Make cities and human settlements inclusive, safe, resilient and sustainable</b></p>	<ul style="list-style-type: none"> <li>In a bid to effectively achieve our strategic goals, we have also deployed sustainable and revolutionary products and services like I-Invest, Farepay, Quick cash, and many more geared towards fostering innovation and promoting resilient infrastructure.</li> <li>We have made investments in technologies that ensure efficient collections for transport businesses, and have provided the financing that enables transport business scale up from their current models.</li> <li>We launched the Farepay system – a new hassle-free electronic payment system that allows you to ride the BRT in Lagos without the inconvenience of long queues, the need to wait for or having to forfeit your change</li> </ul>
<p><b>SDG 12 : Responsible consumption and production</b> <b>Ensure sustainable consumption and production patterns</b></p> <p><b>SDG 13 : Climate action</b> <b>Take urgent action to combat climate change and its impacts</b></p>	<ul style="list-style-type: none"> <li>In a bid to promote sustainable consumption, we maintained our sustainable waste management practices and partnerships with LAWMA and Recyclers Ltd. As at December 2019, Sterling Bank has collected and recycled over 30,000 kg of recyclable materials</li> <li>As an environmentally conscious financial institution, We set a 3-year target to reduce our Carbon footprint by a minimum of 5% over 3 years ending 2020. We have adopted several in-house strategies to manage our carbon footprint, such as; <ul style="list-style-type: none"> <li>* Deployment of hybrid power/renewable energy to branches</li> <li>* Deploying video conferencing facilities to more locations, targeted at reducing the frequency of air travels and use of company fleet.</li> <li>* Electrical load optimization and downsizing and rightsizing of generators</li> <li>* Deployment of administrative controls, such as the automatic shutdown of cooling systems by close of business, to more branch locations, targeted at reducing energy consumption at branch locations etc.</li> </ul> </li> <li>We recorded a 1.84% reduction in our overall GHG emissions in 2018 as a result of the implemented energy-saving initiatives. Due to business expansion, we recorded an increase of 0.43% in 2019. Emissions are still being closely monitored and managed.</li> <li>We also recognize the business opportunities in combating climate change; we have established a Renewable Energy Desk and pledged to invest over N10 Billion in the Renewable Energy Sector.</li> </ul>
<p><b>SDG 17 : Partnerships for the goals</b> <b>Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development</b></p>	<ul style="list-style-type: none"> <li>As part of our commitment to support the global agenda for sustainable development, Sterling has maintained its Participant membership of the United Nations Global Compact - which focuses on Human Rights, Labor, Environment and Anti-Corruption.</li> </ul>

## United Nations Global Compact (UNGC)

### Communication On Progress

The UN Global 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 United Nations Global Compact is a non-binding United Nations pact to encourage businesses worldwide to adopt sustainable and socially responsible policies and to report on their implementation. 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 has subscribed as a participant member of the United Nations Global Compact since December 2018 and submitted its first Communication on Progress report in 2019.

United Nations Global Compact (UNGC)	
<p><b>HUMAN RIGHTS</b>  <b>Principle 1 – 2</b></p> <ul style="list-style-type: none"> <li>• <b>Businesses should support and respect the protection of internationally proclaimed human rights.</b></li> <li>• <b>Businesses should make sure that they are not complicit in human rights abuses.</b></li> </ul>	<p>Implementation</p> <ul style="list-style-type: none"> <li>• All forms of harassment or bullying are intolerable; Sterling is committed to ensuring that its employees are treated fairly and with respect.</li> <li>• An anonymous and confidential grievance redress mechanism has been established, to address cases of bullying, fraud, sexual harassment, intimidation and community grievances.</li> <li>• We provide training and awareness programmes for employees across the Bank to reiterate our values on respecting the rights of others.</li> <li>• Through our Third-Party Environmental and Social Framework, we advise and check that our customers and supply chain are not involved in operational practices that trample on the rights of their employees or of members of the communities in which they operate.</li> <li>• Through our Sustainable Banking framework and the Environmental and Social Risk Assessment process, we ensure that we do not finance any transactions that employ forced or underage labour.</li> </ul> <p>Measurement of Outcomes</p> <ul style="list-style-type: none"> <li>• We have an effective grievance mechanism process which includes both internal and external whistleblowing platforms where employees and external stakeholders can state their grievances anonymously, and we support the prompt resolution of identified grievances.</li> <li>• We carry out both internal and external customer surveys to obtain necessary feedback on our level of service delivery and to identify areas for improvement.</li> <li>• 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.</li> <li>• We screened over 200 credit requests in the Environmental and Social coverage sectors (Agriculture, Education, Health, Renewable Energy, Transport, Manufacturing, Power, Oil and Gas, Real Estate, Mining and Construction) for human rights risks and mitigation measures were recommended.</li> <li>• 167,262 customer and external community complaints were resolved via the Bank's Contact centre complaint resolution mechanism, and 12 cases were investigated on the anonymous Whistleblowing platform in 2019.</li> </ul> <p>Action plans</p> <ul style="list-style-type: none"> <li>• We are currently developing a thorough Third-Party Environmental and Social risk assessment process aimed at determining and mitigating against possible human rights risks in the course of suppliers, vendors and third-party service providers' business activities.</li> <li>• Plans are ongoing to put in place a human rights framework in line with global best practices to guide our staff, credit customers and vendors on the right of others and the consequences of non-compliance with applicable laws. Training will also be conducted to further indoctrinate these principles in the minds of all stakeholders.</li> </ul>

United Nations Global Compact (UNGC)	
<p><b>LABOUR</b> <i>Principle 3 – 6</i></p> <ul style="list-style-type: none"> <li>• Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</li> <li>• Businesses should uphold the elimination of all forms of forced and compulsory labour.</li> <li>• Businesses should uphold the effective abolition of child labour.</li> <li>• Businesses should uphold the elimination of discrimination in respect of employment and occupation.</li> </ul>	<p>Implementation</p> <ul style="list-style-type: none"> <li>• One of our goals on gender diversity in the medium term is to attain a 45% female representation at senior management level; to achieve this, we have nurtured the right culture which is critical to fostering a gender-balanced workplace that takes pride in achieving wholesale work-life integration.</li> <li>• As part of our commitment to maintaining a safe and fair work environment where all staff have a right to associate and speak freely, we introduced “Talk with Abu”, a forum that allows employees engage in conversations with our Chief Executive Officer.</li> <li>• We have introduced the Sterling Behavioral Codes which personify our ethos to build a workplace that is safe and enabling for all, regardless of gender - a workplace devoid of all forms of abuse and discrimination, where our female talents are consistently empowered, motivated and self-driven to do more and be more.</li> <li>• As part of our commitment to a balanced workforce, we created the Bloom network to promote gender diversity and increase women representation at all decision-making levels of the Bank.</li> <li>• We have established an Employee Health and Wellness desk and institutionalized a Health Insurance Scheme (HMO) for members of staff.</li> <li>• We have instituted a paid 4-month maternity and 5-day paternity leave respectively, for new parents.</li> <li>• We have an on-site crèche to provide nursing mothers in our workforce with a safe &amp; convenient childcare.</li> </ul> <p>Measurement of Outcomes</p> <ul style="list-style-type: none"> <li>• We have held seven (7) “Let’s Talk with Abu” sessions across various locations (Lagos, Ibadan, Owerri, Abuja, Port Harcourt and Kano) with over 2,000 employees in attendance. A total of 99 actions points were collated from these engagements.</li> <li>• Our on-site creche currently caters to 15 children.</li> <li>• A total of 87 employees have benefitted from the newly-instituted Employee Assistance Programme.</li> <li>• 77 employees embarked on maternity leaves and 75, on paternity leaves. For three months following resumption from maternity leave, nursing mothers are also allowed to resume work an hour later (9:00 am) and leave an hour earlier (4:00 pm)</li> <li>• Over 200 credit requests within the Environmental and Social coverage sectors (Agriculture, Education, Health, Renewable Energy, Transport, Manufacturing, Power, Oil and Gas, Real Estate, Mining and Construction) were screened for child and forced labour risks and mitigation measures were recommended.</li> </ul> <p>Action Plan</p> <ul style="list-style-type: none"> <li>• The Bank is planning to implement and certify ISO 45001:2018 - Occupational Health and Safety Management System (OHMS) to provide a systematic approach for managing employees’ safety and well-being, in line with best practice and to enhance productivity and the quality of work.</li> </ul>
<p><b>ENVIRONMENT</b> <i>Principle 7 – 9</i></p> <ul style="list-style-type: none"> <li>• Businesses should support a precautionary approach to environmental challenges.</li> <li>• Businesses should undertake initiatives to promote greater environmental responsibility.</li> <li>• Businesses should encourage the development and diffusion of environmentally friendly technologies.</li> </ul>	<p>Implementation</p> <ul style="list-style-type: none"> <li>• We have established recycling activities at our Head Office and Head Office Annex locations; dedicated recycling bins have been provided, and our janitorial staff have been trained on recyclable material handling. Plans are underway to expand the initiative to more locations.</li> <li>• We have deployed the Print as a Service initiative to our Head Offices and 70 branch locations, to improve process efficiency and reduce our environmental footprint.</li> <li>• 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.</li> <li>• 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.</li> </ul>

United Nations Global Compact (UNGC)	
	<p>Measurement of Outcomes</p> <ul style="list-style-type: none"> <li>• We recorded a 1.84% reduction in our overall GHG emissions(Diesel, PMS, Grid Electricity and Compressed Natural Gas) in 2018 (with 2017 as the base year) as a result of the implemented energy-saving initiatives. Due to business expansion, we recorded an increase of 0.43% (with 2017 as the base year) in 2019. Emissions are still being closely monitored and managed.</li> <li>• We screened the environmental impact of and recommended mitigation measures for over 200 transactions within the Environmental and Social coverage sectors (Agriculture, Education, Health, Renewable Energy, Transport and Logistics, Manufacturing, Power, Oil and Gas, Real Estate and Construction).</li> <li>• Since the inception of our waste recycling program, we have recycled a total of 30,682.66kg of recyclables (plastic, cans, paper, sachet, etc.) generated from business operations at our Head Office and Head Office Annex.</li> <li>• The Integrated Waste Treatment/Biodigester System has been deployed to four additional branches this year.</li> <li>• We marked the World Clean Up Day 2019 with cleaning exercises in various states across the country.</li> </ul> <p>Action Plan</p> <ul style="list-style-type: none"> <li>• An institutional carpooling programme that would reduce even further, our GHG emissions, is currently in development.</li> <li>• 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.</li> <li>• The Bank is planning to implement and certify ISO 14001 – Environmental Management System (EMS) to improve our environmental performance in compliance with best practices.</li> </ul>
<p><b>ANTI-CORRUPTION</b>  <b>Principle 10</b></p> <ul style="list-style-type: none"> <li>• <b>Businesses should work against corruption in all its forms, including extortion and bribery.</b></li> </ul>	<p>Implementation</p> <ul style="list-style-type: none"> <li>• Sterling bank has set up an Anti-Fraud unit that runs a 24-hour transaction monitoring service to ensure fraud prevention and early detection.</li> <li>• 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.</li> <li>• The Bank regularly sensitizes employees on the Whistleblowing Policy and welcomes employees, contractors, vendors, customers and any member of the public who has concerns about any inappropriate or irregular aspect of the Bank’s operations, management’s actions, or decisions to come forward and voice those concerns in person or anonymously. The concerns will be recognized wherever practicable, and subject to any legal constraints, such matters shall be dealt with confidentially.</li> <li>• We continuously conduct internal and external audit assessments of our processes and procedures.</li> <li>• Some of the other strategies put in place by the Bank to combat and prevent corruption, fraud and other financial crimes include;             <ul style="list-style-type: none"> <li>* Regulatory framework and responsibility structure.</li> <li>* Fraud risk assessment.</li> <li>* Regular fraud awareness engagements</li> <li>* Code of conduct and disciplinary measures</li> <li>* Anti-Bribery and Anti-Corruption Compliance Policy</li> </ul> </li> </ul> <p>Measurement of Outcomes</p> <ul style="list-style-type: none"> <li>• We have a Board Audit Committee and a Statutory Audit Committee that ensure full oversight on the bank’s accounting and financial reporting functions, its internal controls and audit processes, the independence of external auditors, review of audited financial statements and overall compliance with necessary legal and regulatory requirements.</li> <li>• All employees undergo periodic training on anti-corruption/ anti-money laundering policies and practices.</li> </ul>

United Nations Global Compact (UNGC)	
<p><b>ANTI-CORRUPTION</b>  <i>Principle 10</i></p> <ul style="list-style-type: none"> <li>• <b>Businesses should work against corruption in all its forms, including extortion and bribery.</b></li> </ul>	<p>Action Plan</p> <ul style="list-style-type: none"> <li>• Appropriate training on anti-corruption will form part of the induction process for new hires while existing employees will receive regular training on the implementation and compliance with the Bank's anti-corruption policies and regulatory requirement: the intensity of training offered will be tailored to suit employees' functions and will be proportionate to the risks of bribery and corruption faced.</li> <li>• The Bank's anti-corruption commitments shall be communicated to the Bank's third-party business partners at the onset of the business.</li> </ul>



## Global Reporting Initiative Index Table

2018 GRI Standards Content Index			
GRI Standard	Disclosure	Section Title	Page Number(s)
General Disclosure			Not Reported
GRI 102: Organizational Profile	102-1: Name of the organization		
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	102-3: Location of headquarters		
	102-4: Location of operations		
	102-5: Ownership and legal form		
	102-6: Markets served	Sustainability Financing	22
	102-7: Scale of the organization		
	102-8: Information on employees and other workers	A Great Place to Work	24
	102-9: Supply chain Supply Chain Management	Supply Chain Management	35
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	102-11: Precautionary principle or approach		
	102-12: External initiatives	NSBPs Implementation Report, SDGs Report, UNGC CoP	41
	102-13: Membership of associations	Codes, Standards and Guidelines	40
GRI 102: Strategy	102-14: Statement from senior decision-maker	Managing Director's Statement	12
GRI 102: Ethics And Integrity	102-15 Key impacts, risks, and opportunities	Managing Director's Statement	12
	102-16 Values, principles, standards, and norms of behaviour	Women's Economic Empowerment	26
	102-17 Mechanisms for advice & concerns about ethics	NSBPs Implementation Report, SDGs Report, UNGC CoP	41
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GRI 102: Stakeholder Engagement	102-27: Collective knowledge of highest governance body	Governance	39
	102-40: List of stakeholder groups	Stakeholder Identification and Engagement	Not Reported
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	102-42: Identifying and selecting stakeholders	Stakeholder Identification and Engagement	16
	102-43 Approach to stakeholder engagement	Stakeholder Identification and Engagement	16
GRI 102: Reporting Practice	102-44 Key topics and concerns raised	Materiality Metrics	18
	102-45: Entities included in the consolidated financial statements	The content and data in this financial statements document relate to Sterling Bank Plc and does not cover activities of the other agencies in the Sterling Bank Group	
	102-46: Defining report content and topic Boundaries	Stakeholder Identification and Engagement, Materiality Metrics	16, 18
	102-47: List of material topics	Materiality Metrics	18

2018 GRI Standards Content Index			
GRI Standard	Disclosure	Section Title	Page Number(s)
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GRI 102: Reporting Practice	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	
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	103-2 The management approach and its components	Stakeholder Identification and Engagement, Materiality Metrics	16, 18
	103-3 Evaluation of the management approach	Stakeholder Identification and Engagement, Materiality Metrics	16, 18
GRI 200 Economic Standard			
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	2019 Financial Year Performance Highlights	24
	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	2019 Financial Year Performance	24
	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	22
	203-2 Significant indirect economic impacts	2019 Financial Year Performance Highlights	24
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GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Governance	39
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GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		Not Reported

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GRI 302: Energy	302-1 Energy consumption within the organization	Carbon Footprint Management	37
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	302-3 Energy intensity	Carbon Footprint Management	37
	302-4 Reduction of energy consumption	Carbon Footprint Management	37
	302-5 Reductions in energy requirements of products and services	Carbon Footprint Management	37
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Carbon Footprint Management	37
	305-2 Energy indirect (Scope 2) GHG emissions	Carbon Footprint Management	37
	305-3 Other indirect (Scope 3) GHG emissions		Not Reported
	305-4 GHG emissions intensity		
	305-5 Reduction of GHG emissions		
	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	35
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Management	35
GRI 400 Social Standards Series			
GRI 401: Employment	401-1 New employee hires and employee turnover	Diversity and Equal Opportunity	24
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	401-3 Parental leave	UNGC Communication on Progress Report	45
GRI 402: Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	A Great Place to Work	24
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	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Career Development	26
	404-3 Percentage of employees receiving regular performance and career development reviews	Training and Career Development	26
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Diversity and Equal Opportunity	24
	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	26
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labour	Human Rights, Child and Forced Labour	26

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