Fidelity

Looking Beyond the Now




2024 Sustainability and Climate Report


Report Highlights

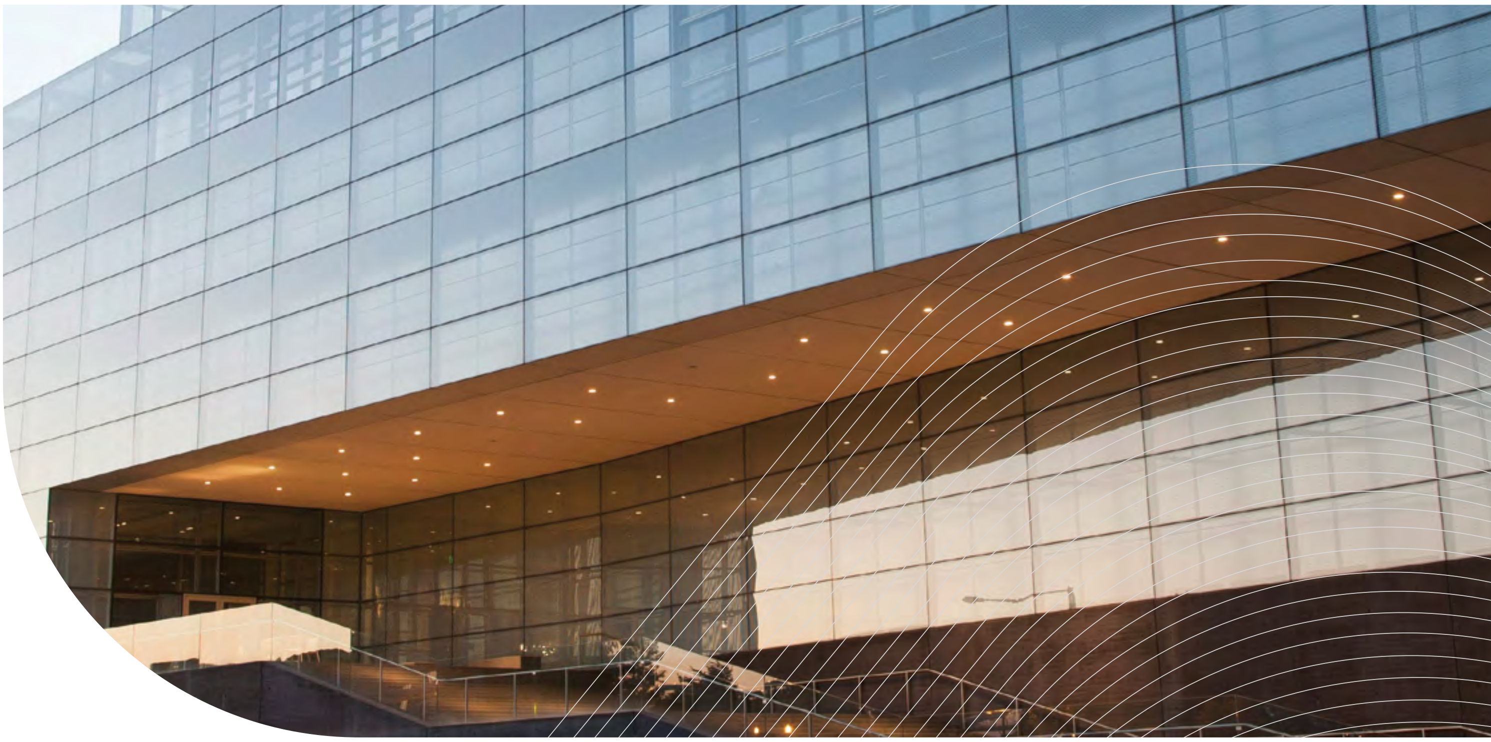
1. About Fidelity Bank

2. Sustainability at Fidelity

3. Our Sustainability Performance

4.

Conclusion and Future Plans



Report Highlights

About this report

Fidelity Bank Plc is pleased to present its 2024 Sustainability Report, offering a transparent look at our environmental, social, and governance (ESG) performance for the fiscal year ending December 31, 2024. Guided by the overarching theme, **"Looking Beyond the Now,"** this report articulates our commitment to sustainable banking practices, responsible growth, and the creation of enduring value for our stakeholders. It further highlights the significant progress made towards our vision to be an accountable and leading financial institution in every market we serve and every product we offer. The report transcends a retrospective analysis, focusing on our strategic initiatives to address future challenges and opportunities, thereby shaping a more sustainable future for our customers, employees, vendors, communities, and the Nigerian economy.

This report is our first to be prepared in line with the Corporate Sustainability Reporting Directive (CSRD) requirements using the European Sustainability Reporting Standards (ESRS). Having been an early adopter of the IFRS S1 and S2, this report also represents our voluntary adoption of ESRS. To this end, we have prepared this report utilizing the interoperability guidelines to communicate our sustainability performance for 2024, in line with ESRS, IFRS (S1 and S2) and scoped-in other disclosure standards in line with our stakeholders' needs. In later sections, we have disclosed details of the sustainability disclosure standards used in this report. As reflected in our theme (Looking Beyond the Now), this standalone sustainability report covers the impacts, risk and opportunities identified in Fidelity Bank's operations across our value chain in the 2024 financial year. While we prepared this report, we were aware of the deliberations by the European Commission on the Omnibus and updates to the CSRD, amongst other EU regulations. However, we voluntarily adopted the ESRS based on certain factors, which we have attached in the appendix.

Report Structure and Content:

This report is divided into six sections to provide a comprehensive view of our sustainability progress:

- **Sections 1-3: Operational Foundation:** These sections highlight how we have integrated sustainability principles into our core operations, covering operational resilience, data security, financial inclusion, and MSME empowerment.
- **Section 4: Sustainability Performance and Disclosure:** This section provides a holistic overview of our Sustainability performance, aligned with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). It includes detailed disclosures on material sustainability topics, demonstrating our commitment to transparency and accountability. To ensure interoperability of ESRS and IFRS S1 and S2 standards, identical disclosure contents have been referenced in this report to avoid repetition.
- **Section 5: Strategic Sustainability Roadmap:** This section briefly describes Fidelity's sustainability-related plans in the short, medium, and long term. It presents our future sustainability goals and commitments, outlining our path towards continued progress.
- **Section 6: Appendix:** This section offers supplementary data and information to support the report's content.

Reporting Standards, Materiality, and Scope:

This report has been prepared in accordance with the disclosure standards detailed in Section 1.3. Its content is informed by a double materiality assessment, the methodology of which is delineated in Sections 2.10. and 3.1. The scope and boundary section articulates this report's defined scope and boundary, encompassing the entities and operations included within its purview.

Feedback and Engagement:

Fidelity Bank values your input and encourages you to share your feedback on this report and our sustainability performance. Please direct any comments or suggestions to either of the contacts below:

Mrs. Augustina Akabogu
Divisional Head, Credit Administration & Sustainable Banking
Fidelity Bank Plc
2 Kofo Abayomi Street,
Victoria Island,
Lagos,
Email: SustainableBanking@fidelitybank.ng

Dr. Tonna Ezema
Head, Sustainable Banking
Fidelity Bank Plc
2 Kofo Abayomi Street,
Victoria Island,
Lagos,
Email: SustainableBanking@fidelitybank.ng

Scope and Boundary

This report provides an overview of Fidelity Bank Plc's approach to sustainability and climate-related matters for the fiscal year January 1, 2024, to December 31, 2024. The reporting scope encompasses all assets and banking operations under the direct operational control of Fidelity Bank within Nigeria. Unless otherwise specified, the information presented herein is aligned with the Bank's Annual Report for the same period.

The scope of this report is limited to Fidelity Bank's operations and does not cover FidBank UK Ltd, highlighting our sustainability performance and approach to ESG, sustainability and climate disclosures. Through this report, we aim to enhance transparency of our sustainability performance and demonstrate our alignment with global sustainability standards and frameworks that drive long-term value for all our stakeholders..

Reporting Framework and Standards:

This report adheres to internationally recognized sustainability disclosure guidelines, as detailed in *Section 1.3. Disclosure Standards Adopted*. These standards ensure a robust and transparent presentation of our sustainability performance.

Materiality Assessment:

The report prioritizes sustainability and climate-related matters identified as material to our business operations and stakeholders. Two key processes underpin this prioritization; the first is the revalidation of material IFRS S1 and S2 (including GRI) topics, as not much has changed in the material topics from prior reporting period. The second is a double materiality assessment in line with CSRD requirements, given the adoption of ESRS. The double materiality assessment necessitated the evaluation of both the financial materiality of sustainability factors impacting our performance and the impact materiality of our operations on the environment and society. Then the revalidated material topics were mapped to the ESRS topics to ensure interoperability.

Disclosure Scope:

- **Direct Operations:** This report details the key environmental, social, and governance (ESG) impacts of our operations across our branches, offices, and data centers in Nigeria. These areas include, but are not limited to, our energy use, greenhouse gas emissions, water management, waste management, employee well-being, diversity and inclusion efforts, talent development programs, and community engagement initiatives.
- **Indirect Impacts (Value Chain):** Acknowledging Fidelity Bank's broader sphere of influence, the report also addresses the indirect environmental and social impacts associated with its lending and investment activities. This includes our approach to assessing and managing Sustainability risks as part of the Bank's lending decision and our engagement with clients to promote sustainable business practices. We are committed to enhancing the granularity of our disclosures on these indirect impacts in future reporting cycles.

Communication and Transparency:

Beyond this report, information regarding Fidelity Bank's sustainability practices and performance is disseminated through various channels, including the Annual Report, regulatory filings, press releases, and the official Fidelity Bank website.

Data Considerations:

We uphold strict standards for data accuracy and completeness. However, there may be limitations in data availability or consistency, especially regarding the indirect impacts of our lending and investment activities. We are actively working to improve our data collection, analysis, and reporting processes to address these limitations and provide more comprehensive insights in the future.

Future Reporting Enhancements:

We are committed to maintaining high standards in our sustainability reporting and continuously enhancing the quality and depth of the information we provide. Going forward, we aim to:

- Offer increasingly detailed insights into the environmental and social impacts of our lending and investment activities.
- Broaden the scope of ESG topics addressed in our reports.
- Further refine our reporting methodologies to stay aligned with evolving global standards and stakeholder expectations.

We believe transparency and ongoing improvement are fundamental to building trust and demonstrating our steadfast commitment to sustainability.

Disclosure Standards Adopted

We maintain the highest standards of transparency and accountability in our sustainability reporting. This report is prepared in accordance with the following internationally recognized frameworks:

- **International Sustainability Standards Board (ISSB) - IFRS S1 and S2:** We have integrated the ISSB Standards, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), into this report. This aligns our report with global best practices and ensures consistency, comparability, and robustness. Key areas addressed include sustainability-related risks and opportunities, governance, strategy, risk management, and associated metrics and targets. IFRS S2 facilitates clear communication of our approach to managing climate-related risks and opportunities.
- **European Sustainability Reporting Standards (ESRS):** This report also incorporates the European Union's CSRD principles through the ESRS standards. The integration of ESRS's double materiality principle ensures a comprehensive assessment of both the financial materiality of sustainability factors on the Bank and the impact materiality of its operations on the environment and society.
- **Global Reporting Initiative:** Similar to prior reports, this year's report contents are in reference to the GRI standards and disclose information on the the impact materiality of the Bank's operations on the environment and society.

Content and Scope of Reporting

This report focuses exclusively on Fidelity Bank's sustainability performance during the reporting period. It offers an in-depth analysis of our governance framework, risk management practices, strategic approach to sustainability, human capital management, and community engagement initiatives. Additionally, it highlights key achievements, challenges, and future aspirations as we strive to promote sustainability within the financial services sector.

Commitment to Transparent Reporting

Fidelity Bank's adherence to these globally recognized standards provides a clear, comprehensive, and comparable account of its sustainability journey. This underscores our commitment to creating long-term value for all stakeholders and fostering trust through transparent and robust reporting, contributing to greater transparency and accountability across the financial sector.

Reporting Considerations

This report represents Fidelity Bank's second year of reporting following the ISSB Standards (IFRS S1 and IFRS S2) and its inaugural year of aligning with the legal requirements of the CSRD. The Bank has carefully considered the transition reliefs available under these frameworks, and the guidance provided by the Financial Reporting Council of Nigeria (FRC) for IFRS S1 and S2.

Transition Reliefs:

- **ISSB Standards (IFRS S1 and IFRS S2):** In the first year of adoption (2023), Fidelity Bank utilized the transition relief offered under IFRS S1, electing to disclose information solely on climate-related risks and opportunities defined by IFRS S2. This report, marking the second year, expands disclosure to encompass more sustainability matters beyond climate. However, in line with the allowed provisions, comparative information for these additional sustainability disclosures is not presented in this report but will be provided in future reporting periods..
- **CSRD:** Fidelity Bank demonstrates its commitment to sustainability leadership by voluntarily aligning this report with the European Union's Corporate Sustainability Reporting Directive (CSRD) requirements, even though mandatory CSRD reporting may not yet apply to our operations. This proactive approach reflects our dedication to comprehensive and transparent sustainability disclosure, exceeding current regulatory expectations. The Bank will continue to monitor evolving regulations and adapting its reporting to maintain its position at the forefront of sustainability best practices.

The following ESRS reliefs were used for this report.

Table 1: ESRS Reliefs Used

S/N	ESRS Relief	Applicable ESRS Area
1	The reporting entity can provide minimal information on its value chain. However, efforts to get all necessary information about its value chain should be stated.	ESRS 1 and 2
2	When disclosing Policies, Actions, Metrics and Targets around the reporting entity's upstream and downstream information, it can be limited to data the entity has in-house or publicly available information.	All
3	The reporting entity is not required to provide comparative information.	All
4	The reporting entity may skip anticipated financial effect in the first year (qualitative or quantitative).	All
5	Reporting entity can report anticipated financial effects in only qualitative terms.	All
6	Reporting entities in non-European Economic Area (EEA) can omit reporting requirements.	ESRS S1
7	Reporting entities can omit reporting on social protection, persons with disabilities, training and skills development metrics, work-life balance metrics for its own workforce.	ESRS S1
8	Organisations may omit the data points on cases of work-related ill-health and on number of days due to injuries, accidents, fatalities.	ESRS S1
9	Reporting entities can omit reporting on non-employees (contract workers, agents etc).	ESRS S1

During the development of this report, we were aware of the deliberations on the Omnibus proposals to simplify the scope and applicability of the European Sustainability Reporting Standards (ESRS). Given that these changes were still in the deliberation stages and had not yet come into effect, we voluntarily prepared this report in line with the existing CSRD and ESRS to implement developed market regulatory-led sustainability disclosure standards.

FRC Guidance:

Fidelity Bank has also complied with the guidance provided by the FRC's Adoption Readiness Working Group (ARWG) Roadmap Report for the Adoption of IFRS Sustainability Disclosure Standards in Nigeria.

Statement of Compliance:

This report for the fiscal year ending December 31, 2024, demonstrates Fidelity Bank's continued compliance with IFRS Sustainability Disclosure Standards S1 and S2. In addition, the Bank has aligned its 2024 reporting with the requirements of the Corporate Sustainability Reporting Directive (CSRD) by adopting the ESRS standards for the first time.

As referenced on page 89 of the 2023 Annual Report and Financial Statements, Fidelity Bank was an early adopter of IFRS S1 and S2. This Sustainability Report expands upon that commitment, providing detailed sustainability and climate-related financial disclosures for the year ended December 31, 2024, following IFRS S1 and S2 (effective January 1, 2024) and incorporating considerations from the CSRD.

The report includes disclosures on sustainability and climate-related risks and opportunities, relevant to the FY2024 financial report, which could reasonably be expected to impact the Bank's prospects. These disclosures adhere to the Governance, Strategy, Risk Management, and Metrics and Targets requirements of IFRS S1 and S2 and reflect the double materiality perspective of the CSRD.

Application of Standards:

- IFRS S1 and S2: We have applied these standards throughout the report to structure our disclosures on sustainability and climate-related matters. This includes providing information on governance, strategy, risk management, metrics, and targets. The report provides decision-useful information for investors and other stakeholders to assess our management of sustainability and climate related risks and opportunities.

- ESRS: We have applied the ESRS principles by adopting a double materiality perspective in our materiality assessment (detailed in Section 3.10). This report is structured to align with the ESRS topical standards, providing comprehensive disclosures across environmental, social, and governance areas. We have used the ESRS framework to guide our reporting on policies, actions, targets, and performance indicators.

- GRI: We have applied the GRI standards through spotlighting or initiatives across the three sustainability pillars: Environmental, Social and Governance.

- EU Taxonomy on Sustainable Activities: While the EU Taxonomy's mandatory reporting requirements may not yet apply to our operations, we acknowledge its significance as a framework for classifying environmentally sustainable economic activities. We are currently evaluating the alignment of our business activities with the EU Taxonomy criteria and will provide further disclosures in future reports as our assessment progresses.

Chairman's Statement

2024 presented a landscape of significant transformation within the Nigerian economy, characterized by evolving regulatory policies and global economic trends. Fidelity Bank navigated this dynamic environment with resilience, adaptability, and an unwavering commitment to sustainable growth. Our dedication to responsible banking practices remained deeply integrated into our strategic decision-making and operational processes, guiding stakeholder engagement and shaping our contributions to the Nigerian economy.

Fidelity Bank's strong financial performance in 2024 is evident from its 87.7% increase in gross earnings, reaching ₦1,043.4 billion compared to ₦555.88 billion in 2023. Additionally, the bank achieved a Profit Before Tax of ₦385.2 billion. The income tax expense for the year was ₦96.81 billion, representing a significant rise from ₦24.81 billion in the previous year. Our financial results for 2024 highlight our capability to generate value for our shareholders while also making positive contributions to society and the environment.

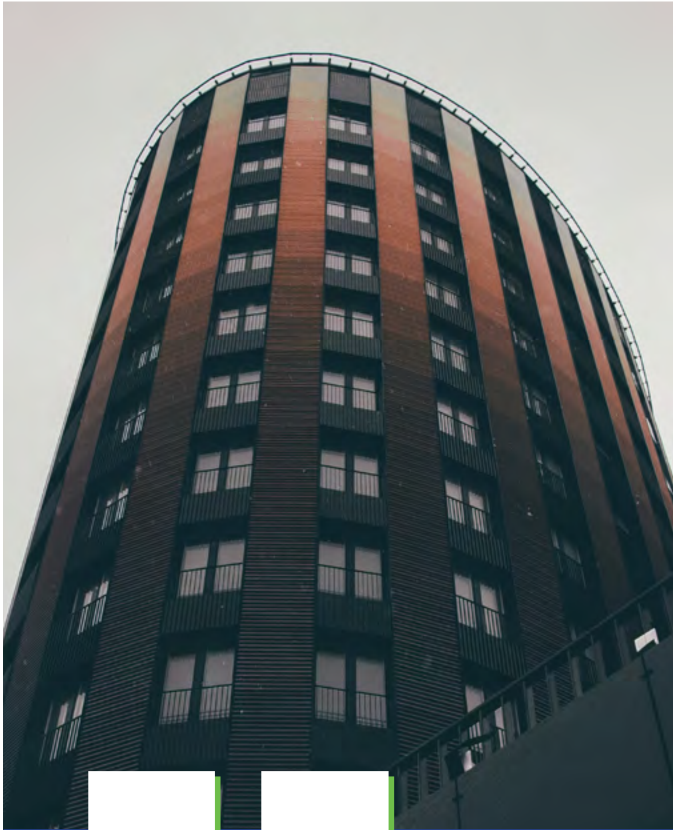
As a member of the Equator Principles and the United Nations Global Compact (UNGC), we align our operations with internationally accepted standards on environmental and social risks management, human rights, labor, the environment, and anti-corruption. Fidelity Bank is also a proud signatory of the United Nations Environment Programme Finance Initiative (UNEP FI) and its Principles for Responsible Banking (PRB), as well as the United Nations Women's Empowerment Principles (WEP). These commitments underscore our dedication to integrating environmental and social considerations including gender equality into our core business strategy and decision-making processes. Through these initiatives, we reaffirm our devotion to contribute meaningfully to sustainable development and inclusive economic growth.

As a leader in the Nigerian financial sector, Fidelity Bank understands the importance of transparency and accountability in sustainability reporting. This report represents our continued adoption of the globally recognized International Sustainability Standards Board's IFRS S1 and S2, demonstrating our commitment to providing comprehensive and decision-useful information on sustainability and climate-related risks and opportunities. Moreover, we have aligned our reporting with the principles of the Corporate Sustainability Reporting Directive (CSRD) of the European Commission, further enhancing the scope and depth of our disclosures. By embracing these frameworks, we provide a robust and holistic overview of our Environmental, Social, and Governance (ESG) performance, encompassing both the impact of sustainability issues on our business and the impact of our operations on the broader world. Our commitment to sustainability extends beyond reporting; it is deeply ingrained in our operational model, stakeholder engagement, and contributions to the development of the Nigerian economy.

In 2024, we continued to prioritize financial inclusion, recognizing its crucial role in fostering economic empowerment. We expanded our efforts to support Micro, Small, and Medium-sized Enterprises (MSMEs), providing them with tailored financial solutions and resources to thrive. We also invested in initiatives that promote environmental stewardship, recognizing the importance of a healthy planet for future generations. We believe that our focus on sustainability strengthens our resilience, enhances our reputation, and positions us for continued long-term success.

We extend our sincere gratitude to the entire Fidelity Bank team for their unwavering dedication and exceptional contributions to implementing our sustainability and climate-related strategies. Their hard work and commitment are instrumental in driving positive change within our organization, communities and beyond.

Looking ahead, we remain confident that our collective efforts, in collaboration with the Central Bank of Nigeria (CBN) and other stakeholders, will continue to shape a more sustainable and prosperous future for Fidelity Bank, our customers, the communities we serve, and the Nigerian economy as a whole.



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MD/CEO's Statement

Driven by a vision of responsible leadership, Fidelity Bank remains committed to creating enduring value for all stakeholders. Our 2024 Sustainability Report, themed, "Looking Beyond the Now," reflects this commitment by transparently demonstrating our progress in responsible banking. It highlights our 2024 achievements and our proactive approach to building a sustainable future, prioritizing financial inclusion, operational sustainability, community engagement, and environmental stewardship as we continue to adapt our operations to address both present and future challenges.

Driving Sustainable Growth and Delivering Strong Returns

Our dedication to responsible banking principles, combined with our focus on building a future-ready institution yielded exceptional financial performance in 2024. We delivered robust growth across all key financial indicators, demonstrating the resilience of our business model and the effectiveness of our long-term strategy. These results emphasize that sustainable practices are not just ethical imperatives but also drivers of robust financial returns. I encourage you to read up the details of our performance in the Fidelity Bank 2024 Annual Report.

Strong Risk Management and Financial Health

In addition to our strong financial performance, we have maintained a healthy risk profile and robust financial health. This impressive performance is not an end in itself but a foundation for continued investment in our strategic priorities, including financial inclusion, digital innovation, and sustainable development. It allows us to further solidify our commitment to creating long-term value, where strong financial performance and positive social and environmental impact are intrinsically linked.

Maintaining Operational Resilience and Data Security

At Fidelity Bank, we view operational resilience and data security as integral components of responsible banking. In 2024, we proactively addressed the evolving regulatory landscape, demonstrating our commitment to full compliance with all relevant guidelines and regulations, including the Nigeria Data Protection Regulation (NDPR). Our robust risk management strategies enabled us to adapt effectively to policy changes, further strengthening our operational foundation.

We understand that in today's interconnected world, data security is not just a technical issue but a matter of stakeholder trust. We are entrusted with sensitive information, and we take this responsibility seriously. Our comprehensive data protection framework, aligned with the NDPR and international best practices, reflects this commitment. We have made significant investments in advanced security infrastructure and technologies to proactively mitigate cyber threats and ensure data integrity. We maintain open communication with regulators, adhere to all applicable laws, and operate with the highest levels of integrity and transparency, building confidence among our customers, partners, and regulators.

Empowering MSMEs and Expanding Financial Inclusion

Empowering MSMEs and expanding financial inclusion are central to our mission. We aim to be the preferred bank for MSMEs, offering not only tailored financial solutions, including accessible low-cost accounts but also valuable support programs. For instance, our SME Forum, an innovative 30-minute radio and Instagram Live program provides entrepreneurs with crucial knowledge and networking opportunities. In 2024, we continued our efforts to bridge the financial inclusion divide, leveraging our over 21,000 banking agents and expanding our financial literacy programs to ensure wider access to essential financial services, especially for those in underserved communities.

Elevating Transparency and Accountability

Transparency and accountability are key components of our sustainability approach. In 2024, we enhanced our adherence to these principles by aligning our reporting with international standards in sustainability disclosure. These frameworks allow stakeholders to make informed decisions and evaluate our environmental, social, and governance (ESG) performance. Our report includes a thorough assessment of sustainability and climate-related issues, taking into account both the impact on our business operations and our business's impact on society and the environment.

A Commitment to Strong Corporate Governance

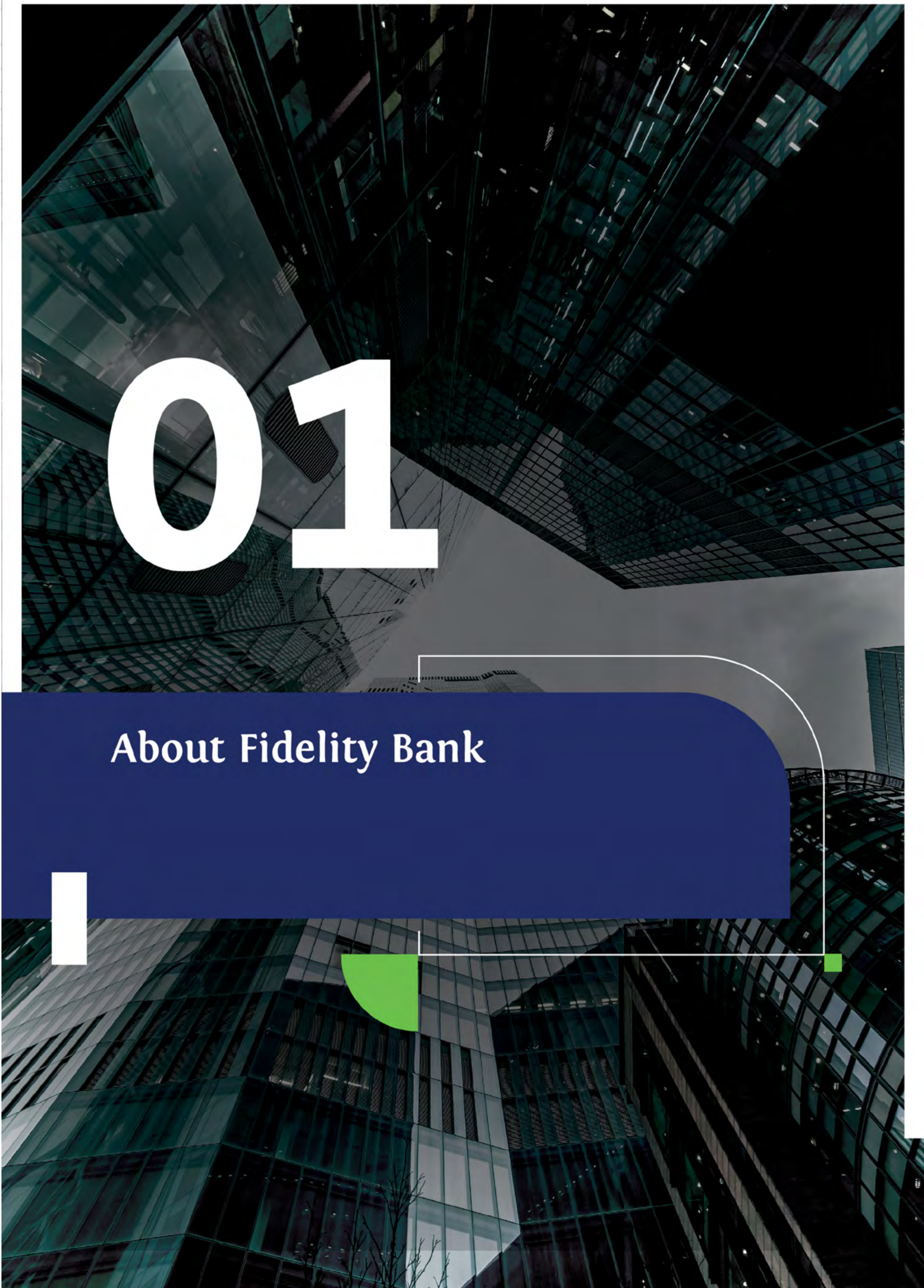
We at Fidelity Bank are deeply committed to robust corporate governance, recognizing its critical role in fostering stakeholder trust, driving long-term sustainability, and achieving our strategic objectives. As a leading commercial bank, we consistently uphold the highest standards, adhere to all disclosure requirements, and embrace global best practices. This commitment is reflected in our sustained CG+ rating in independent assessments (the highest ranking in the industry), which further underscores the effectiveness of our governance framework.

Building a Sustainable and Inclusive Future

Our commitment to sustainability is demonstrated through tangible actions. We are reducing our environmental footprint by implementing energy efficient measures, promoting sustainable procurement, and exploring green financing opportunities. We are also investing in our employees through targeted development programs and fostering a diverse and inclusive workplace. Our Corporate Social Responsibility (CSR) initiatives further contribute to positive social impact in areas aligned with community needs.

Looking Ahead

Our commitment to responsible banking practices and sustainable development remains unwavering. We will continue to adapt proactively to the evolving needs of our customers, investors, and regulators. By collaborating closely with all stakeholders, we are confident in our ability to achieve our vision of becoming a leading and responsible financial institution, contributing to a future of shared prosperity.



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About Fidelity Bank

1.1. Corporate Profile

Fidelity Bank Plc is a leading full-service commercial bank in Nigeria, committed to fostering sustainable growth and driving positive change. With a strong foundation in responsible banking practices and a vision for the future, we prioritize environmental stewardship, social equity, and economic resilience while addressing the evolving needs of our stakeholders.

With a presence across Nigeria, we serve over 9 million customers through a network of 251 business offices and a robust suite of digital banking platforms. Our operations are authorized by the Central Bank of Nigeria (CBN), and we have expanded internationally through our wholly owned subsidiary, FidBank UK Limited, in London.

Our financial solutions span corporate and trade finance, treasury and investment services, retail banking, and wealth management, with a strong focus on empowering Micro, Small, and Medium Enterprises (MSMEs). As part of our commitment to financial inclusion and innovation, we are rapidly advancing our retail banking strategy through digitization.

Our focus on digital transformation has driven the expansion of our customer base, with savings deposits achieving double-digit growth for ten consecutive years. A significant portion of our customers actively use our mobile and internet banking platforms, with the majority of transactions now conducted through our advanced electronic banking channels.

At Fidelity Bank, sustainability is embedded in our corporate strategy and operations. We are committed to integrating environmental, social, and governance (ESG) principles into our business, reinforcing our position as a leader in responsible banking in Nigeria. Through our sustainability-driven initiatives, we continue to create long-term value for our stakeholders and contribute to a more resilient future.

1.2. Products & Services

In today's rapidly evolving financial landscape, Fidelity Bank remains a trusted leader, dedicated to delivering innovative and sustainable financial solutions tailored to the diverse needs of individuals and businesses. With a strong focus on customer satisfaction and a forward-thinking approach, we offer a comprehensive suite of products and services designed to help our customers achieve their financial goals efficiently, effectively, and responsibly.

Personal Banking: Enhancing Financial Well-Being

At Fidelity Bank, personal banking goes beyond traditional services, it is a pathway to financial empowerment. Our offerings, from everyday banking solutions like savings and current accounts to tailored lending options, are designed to support our customers at every stage of their financial journey. With seamless access to online and mobile banking, customers can manage their finances anytime, anywhere, enjoying greater flexibility and control. Additionally, we are committed to promoting financial literacy by providing tools and resources that empower individuals to make informed financial decisions, secure their future, and contribute to a more financially inclusive society.

Digital Banking: Innovation for a Seamless Experience

As a leader in digital transformation, we are redefining banking convenience through our advanced digital platforms. Customers can perform transactions, pay bills, and monitor account activity effortlessly, all while benefiting from robust security features such as multi-factor authentication and real-time fraud monitoring. Our commitment to digital banking extends beyond convenience, it also supports sustainability by reducing paper usage and encouraging eco-friendly digital transactions.

Corporate Banking: Driving Sustainable Business Growth

Fidelity Bank empowers businesses with tailored corporate banking solutions that foster long-term growth and financial stability. Our offerings include cash management, commercial lending, treasury services, and strategic financial advisory, all designed to help businesses operate efficiently and responsibly. By partnering with our corporate clients, we provide the expertise and financial tools needed to drive sustainable profitability and resilience in an ever-changing business environment.

Private Banking: Preserving and Growing Wealth Responsibly
Our private banking services offer bespoke financial solutions aimed at preserving and growing wealth across generations. Through customized wealth management strategies, estate planning, and access to exclusive investment opportunities, we provide expert guidance and personalized service. Our commitment to responsible investing ensures that our clients can align their financial goals with their values, building lasting legacies with strength, stability, and a positive impact.

At Fidelity Bank, we are committed to delivering financial solutions that empower individuals and businesses while upholding our sustainability principles. Through innovation, inclusivity, and responsible banking, we continue to shape a future where financial success and sustainability go hand in hand.

1.3. Sustainability Standards, Principles and Affiliations

Fidelity Bank is committed to fostering a sustainable future through active participation and collaboration within the financial industry and beyond. As part of our dedication to sustainability and corporate responsibility, we engage in strategic institutional memberships that align with our values and objectives. These memberships provide platforms for knowledge sharing, best practice adoption, and collective action towards a more sustainable and inclusive financial sector.

Our key institutional memberships include:

United Nations Global Compact

United Nations Global Compact (UNGC):
As a signatory to the UN Global Compact, we commit to upholding its ten principles in human rights, labor standards, environmental protection, and anti-corruption. This membership reinforces our dedication to responsible business practices and our contribution to the UN Sustainable Development Goals (SDGs).

IFC International Finance Corporation WORLD BANK GROUP

International Finance Corporation (IFC):
The IFC, a member of the World Bank Group, is a leading authority in sustainable finance. We utilize its publicly available resources and performance standards to guide the integration of environmental, social and governance (ESG) considerations into our lending and investment practices.

EQUATOR PRINCIPLES

Equator Principles:
As a signatory of the Equator Principles, we are committed to responsible environmental and social risk management in project finance. This framework guides our assessment and management of environmental and social risks in large-scale development projects, ensuring they are developed in a manner that is socially responsible and reflects sound environmental management practices.

International Sustainability Standards Board (ISSB)—IFRS Sustainability Disclosure Standards:
As an early adopter of the IFRS Sustainability Disclosure Standards (IFRS S1 and S2), we demonstrate our commitment to transparent and comprehensive sustainability reporting. This aligns with our goal of providing stakeholders with useful information on our sustainability performance.

Nigerian Conservation Foundation (NCF):
Our partnership with the NCF underscores our commitment to environmental conservation and biodiversity protection in Nigeria. This collaboration supports our efforts to minimize our environmental footprint and contribute to the preservation of Nigeria's natural heritage.

United Nations Environment Programme Finance Initiative (UNEP FI):
As a member of UNEP FI, we are part of a global network of financial institutions committed to embedding sustainability principles into their core business operations. We are also signatories to the Principles for Responsible Banking (PRB), a UNEP FI led initiative that provides a comprehensive framework for aligning banking practices with the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement. These commitments offer valuable insights, tools, and global best practices that support our efforts to integrate environmental and social considerations into our business strategy and decision-making processes.

Global Reporting Initiative (GRI):
While we have transitioned to the ISSB Standards for our primary sustainability reporting, our historical engagement with the GRI Standards has provided a solid foundation in sustainability reporting principles and stakeholder engagement.

UN Women's Empowerment Principles (WEP):
Our adoption of the WEP reinforces our commitment to gender equality and women's empowerment. These principles guide our efforts to promote gender equality in the workplace, marketplace, and community, fostering a more inclusive and equitable society.

Nigerian Sustainable Banking Principles (NSBP):
Established by the Central Bank of Nigeria (CBN), the NSBP provides a framework for managing ESG risks and opportunities specific to the Nigerian context, we align our business operations and activities with these principles demonstrating our commitment to responsible banking and contributing to sustainable development both within Nigeria and across our broader operations.

Our adoption of sustainability standards, alignment with key principles, and participation in global and local initiatives reflect our commitment to promoting sustainable practices, fostering collaboration within the financial sector, and driving positive change in the communities we serve and the environment.

1.4. Awards & Recognition

Fidelity Bank's dedication to sustainability, corporate citizenship, and responsible banking practices has earned us widespread recognition over the years. These accolades underscore our commitment to environmental stewardship, social responsibility, and ethical business conduct across all facets of our operations. We are proud to be acknowledged for our leadership in these areas, which are integral to our mission of building a sustainable and inclusive future for Nigeria.

Recent awards include:

Export Financing Bank of the Year:

This award from the BusinessDay Banks and Other Financial Institutions (BAFI) Awards recognizes our leadership in providing innovative and sustainable financing solutions to support export-oriented businesses in Nigeria.

Excellence in Digital Transformation & MSME Banking:

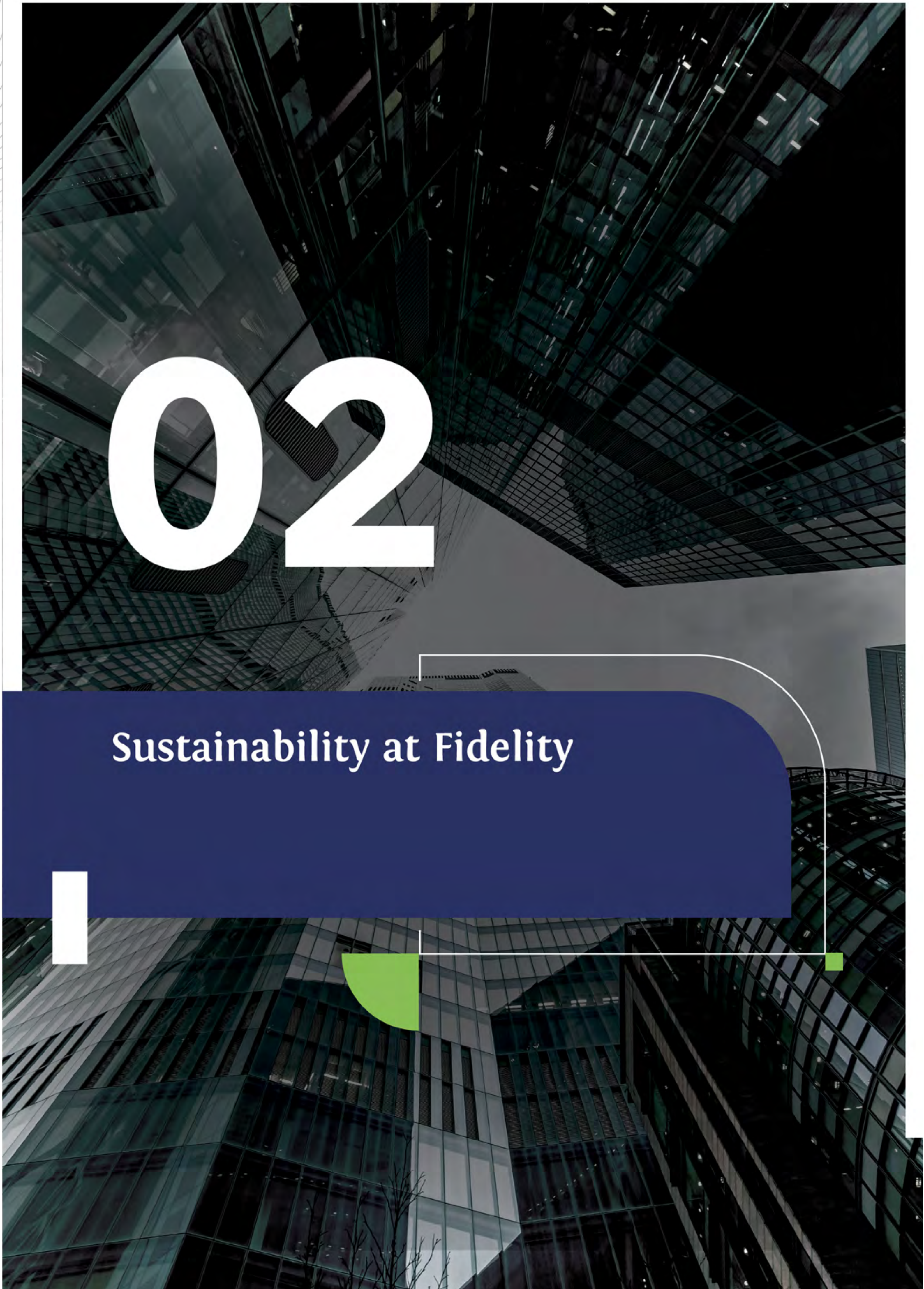
This BAFI Award highlights our commitment to leveraging digital technologies to enhance financial inclusion and empower micro, small, and medium-sized enterprises (MSMEs) in Nigeria.

Best Payment Solution Provider Nigeria 2023:

This award from the Global Banking and Finance Awards recognizes our innovative payment solutions that provide convenient and secure banking services to our customers.

These accolades, along with our previous recognition as the Best SME Bank in Nigeria (Global Banking and Finance Awards 2022), Best Bank for SMEs in Nigeria (Euromoney Awards for Excellence 2023), and Best Domestic Private Bank in Nigeria (Euromoney Global Private Banking Awards 2023), demonstrate our consistent commitment to excellence and leadership in sustainable banking practices.

Awards & Recognition



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Sustainability at Fidelity

2.1. Our Sustainability Highlights

At Fidelity Bank, our commitment to a sustainable future is deeply embedded in our operations and activities. We believe responsible banking is essential for creating long-term value and positive societal impact. In 2024, we solidified our leadership in sustainable finance through focused initiatives and enhanced transparency. We were the first Nigerian Bank to publish a sustainability and climate report in compliance with the newly introduced IFRS S1 and S2 Disclosure Standards on 30 June 2024. The report provides insights into the Bank's Governance, Strategy, Risk Management and Metrics and Targets around Sustainability and Climate-related risks and opportunities during the 2023 financial year.

Key Sustainability Milestones:

- **Leading in Green Finance:**
  We actively expanded our green financing portfolio, supporting renewable energy projects and eco-friendly businesses, directly contributing to a lower carbon economy.
- **Enhanced Sustainability Reporting:**
  Building on our 2023 adoption of IFRS Sustainability Disclosure Standards (IFRS S1 and S2), we have further strengthened our transparency in 2024 by aligning with the principles of the Corporate Sustainability Reporting Directive (CSRD). This ensures our stakeholders receive a comprehensive and globally aligned view of our ESG performance.
- **Rigorous Sustainable Investment:**
  We have implemented robust policies to ensure our investments adhere to leading sustainable practices, empowering both customers and vendors to achieve their financial goals while positively impacting the planet.
- **Reducing Carbon Footprint:**
  We have continued to implement programs to reduce our operational carbon footprint, demonstrating our dedication to environmental stewardship.

These highlights underscore our dedication to fostering a sustainable future through responsible banking practices.

2.2. Our Approach to Sustainability

Our Approach to Sustainability outlines the key measures and initiatives we continued to implement during the fiscal year 2024 to promote environmental stewardship, social responsibility, and long-term sustainable growth. These efforts are structured under the following focus areas:

1. Optimizing Impact-Based Management

Fidelity Bank Nigeria has strengthened its impact-based management by integrating sustainability into its corporate strategy, with a focus on environmental stewardship, social responsibility, and governance. This approach aims to create lasting value for stakeholders, including customers, staff, and investors, by addressing current challenges and preparing for future needs.

In our 2023 Sustainability and Climate Report, Fidelity Bank outlined several key objectives, that continue to guide our efforts:

- **Optimizing Impact-Based Management**
- **Enhancing Environmental Commitment**
- **Promoting Inclusive Banking**
- **Integrating Sustainable Finance**
- **Maintaining Ethical Business Practices**
- **Innovating Digital Solutions**

The bank acknowledges the substantial influence financial institutions can have on society and the larger economy. Through these initiatives, Fidelity Bank demonstrates its ongoing commitment to responsible banking practices, aiming to set a standard for sustainability in Nigeria and beyond.

2. Enhancing Environmental Commitment

Fidelity Bank is enhancing its environmental commitment through innovative initiatives aimed at promoting sustainability, reducing carbon footprints, and supporting eco-friendly practices.

These commitments include:

- **Publication of ISSB-Compliant Sustainability Report:**

  This report is a further demonstration on our environmental commitment. The report provides detailed insights into the bank's governance, strategy, risk management, and metrics related to sustainability and climate-related risks and opportunities.

- **Integration of ESG into Lending Practices:**

  The bank collaborated with Axe Finance to incorporate Environmental, Social, and Governance (ESG) considerations into its digital lending strategy. This integration enables automated due diligence, efficient management of ESG data, and informed lending decisions that align with environmental sustainability goals.

- **Commitment to International Sustainability**

  Principles: Fidelity Bank reinforced its dedication to sustainable banking by becoming a signatory to the UN Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking. This commitment aligns the bank's operations with global sustainability frameworks, including the UN Sustainable Development Goals and the Paris Climate Agreement.

- **SBMS Portal:**

  To collate, monitor and track the bank's environmental footprint across its facilities.

- **Collaborations:**

  The Bank's collaboration with government and non-governmental bodies for example our gold membership with Nigerian Conservation Foundation (NCF), Lagos State Parks and Gardens (LASPARK) in the planting of 20,000 trees and beautification of major roundabouts in Lagos.

- **Governance:**

  The bank's governance structure: Board Risk Management Committee (BRMC) and Sustainable Banking Governance Committee (SBGC) to provide oversight and management on the bank's sustainability and climate-related risks and opportunities.

3. Promoting Inclusive Banking

Fidelity Bank has actively promoted inclusive banking through various initiatives designed to support underserved communities, empower women, and foster youth development. As part of these efforts, the Bank has implemented targeted programmes with a strong focus on gender inclusion and advancing women's economic empowerment.

These include:

Empowering and Creating Opportunities for Women in 2024:

Fidelity Bank has continued to support women-owned businesses and enhance access to finance for women in the managed SME space. These efforts aim to create meaningful economic opportunities and address gender specific barriers to financial inclusion.

Women Representation and Workforce Diversity:

Aligned with Fidelity Bank's Women Economic Empowerment Policy and the Central Bank of Nigeria's requirements, the Bank remains committed to gender diversity and inclusion. Fidelity Bank ensures strong female representation within its workforce by providing equal career advancement opportunities, access to healthcare, and financial support. This commitment is further exemplified by the Bank's leadership with a female Managing Director/Chief Executive Officer at the helm, reinforcing its dedication to empowering women across all levels of the organization.

International Women's Day Commemoration:

In March 2024, Fidelity Bank sponsored the Guardian Women Festival, commemorating International Women's Day by celebrating the achievements of women across various sectors. The event featured keynote presentations and panel discussions under the theme "Inspiring Inclusion," with key focus areas such as Financial Inclusion, Board Inclusion, STEM Inclusion, Education Inclusion, Entrepreneurship & Innovation Inclusion, Political Inclusion, and Digital Skills Training for Women.

Digital Skills Training for Women Entrepreneurs:

In partnership with **"ImpactHER"**, Fidelity Bank facilitated three cohorts of digital skills training programs for women entrepreneurs and female-led SMEs. Over 6,000 women participated in these sessions, gaining essential business management and digital skills.

The training themes included:
May 2024: Green Economy in Business and **August 2024**: Beginner Digital Skills Courses.

This initiative reinforced the Bank's commitment to capacity-building, equipping female entrepreneurs with the knowledge and tools to scale their businesses.

Mental Health Awareness Webinar:

Recognizing the importance of mental well-being, Fidelity Bank hosted a Mental Health Awareness Webinar in September 2024, attracting 1,950 registrants. The theme, "Let's Talk About Mental Health Stigma," sparked open conversations about mental health challenges and solutions. The post-event survey reflected over 90% positive feedback, with broad geographic participation across Lagos, Abuja, Kano, Oyo, Rivers, Kogi, Gombe, and Adamawa. To further support mental well-being, Fidelity Bank rewarded 45 participants with therapy and spa sessions: 30 therapy sessions and 15 spa sessions.

4. 2024 Initiatives and Developments in Financial Inclusion

Fidelity Bank has consistently demonstrated its commitment to deepening financial inclusion by addressing key priority groups highlighted in the Central Bank of Nigeria's revised National Financial Inclusion Strategy. These priority groups include Youths, Women, North, MSMEs, and underserved/financially excluded communities across the country.

Youth Inclusion:

In alignment with CBN's focus on youth, Fidelity Bank conducted campus activations in 10 tertiary institutions across Nigeria, aiming to include more youths (aged 18-35) in the financial sector. This event provided financial literacy and inclusion education for youths, alongside a reward campaign.

North & Women Inclusion:

On October 15th, 2024, Fidelity Bank participated in a Financial Inclusion program held in Abuja, focused on enhancing financial access for rural women. The event had 124 participants, including 63 rural women from seven communities across the Federal Capital Territory (FCT). The program addressed challenges such as difficulties in opening accounts, high transaction costs, lack of nearby physical banks, and limited access to loans. The event also included financial literacy training, health workshops, and the onboarding of Points of Sale (POS) agents, creating income opportunities for women across multiple communities.

MSME Empowerment:

Fidelity Bank continues to empower MSMEs through lending, training, and capacity-building initiatives. The Bank is committed to supporting the growth of small and medium-sized enterprises, contributing to economic growth and job creation.

Financially Excluded and Underserved Communities:

To deepen financial inclusion for underserved communities, Fidelity Bank upgraded its Agency Banking platform in 2024, introducing enhanced features to make transactions faster, more reliable, and rewarding for agents.

The Bank has over 35,000 agents and 7,000 POS terminals, increasing access to banking services for the under-banked. Additionally, the Bank conducted Agent Forums in all regions to provide training and resolve challenges, while increasing support channels for agent inquiries.

> Additionally in 2024, Fidelity bank engaged student communities in Nigeria and opened accounts for all categories of students. Financial Inclusion Across Nigerian Universities

Table 2: Financial Inclusion Across Nigerian Universities

S/N	Institution	Accounts Opened
1	Adekunle Ajasin University Satellite	800
2	Obafemi Awolowo University	1,020
3	Osun State University Ikire	500
4	Bayero University Kano	900
5	Bingham University	700
6	Benue State University	750
7	Leed City University	500
8	Kano State Poly	400
9	DELSU (Abraka)	700
10	Maryam Abacha American University of Nigeria	750
Total		**7,020**

Through these initiatives, Fidelity Bank continues to foster an inclusive financial ecosystem, ensuring that essential banking services are accessible to all segments of society.

5. Integrating Sustainable Finance

Fidelity bank has actively integrated sustainable finance into its operations through several key initiatives:

- **Green Finance Framework:**
  The bank developed this framework in alignment with our commitment to green finance and responsible banking practices.

- **Environmental and Social Risk Management (ESRM):**
  The bank has implemented a comprehensive ESRM framework to assess and manage environmental and social risks associated with its lending activities. This ensures that financed projects adhere to sustainable practices, mitigating potential negative impacts on the environment and society.

- **Partnerships with Development Finance Institutions (DFIs):**
  Fidelity Bank has collaborated with various DFIs to provide low-cost funding to Micro, Small, and Medium-sized Enterprises (MSMEs). Notably, the bank partnered with the Development Bank of Nigeria (DBN), to support MSMEs. We also partner with African Development Bank (AfDB) to finance sustainable projects.

- **Adherence to International Sustainability Standards:**
  The bank has aligned its operations with global sustainability frameworks by becoming a signatory to the UN Principles for Responsible Banking (PRB). This commitment underscores its dedication to responsible banking practices that consider environmental and social impacts.

- **Publication of ISSB-Compliant Sustainability Report:**
  In 2024, Fidelity Bank became the first Nigerian bank to publish its 2023 Sustainability and Climate Report in compliance with the International Sustainability Standards Board (ISSB) guidelines. This report details the Bank's governance, strategy, risk management, and metrics related to sustainability and climate-related risks and opportunities.

Through these initiatives, Fidelity Bank has embedded sustainable finance into its core operations, contributing to environmental preservation and social development while ensuring economic growth.

6. Maintaining Ethical Business Practices

Fidelity Bank has consistently demonstrated a strong commitment to ethical business practices through various initiatives and policies:

- **Code of Business Conduct and Ethics:**
  The bank enforces a comprehensive Code of Business Conduct and Ethics Policy, clearly communicating its zero-tolerance stance towards corruption, money laundering, bribery, and abuse of office. This policy is disseminated to all employees at the start of each year and reinforced through periodic training sessions.

- **Whistleblowing Mechanism:**
  To promote transparency and accountability, Fidelity Bank has established a whistleblowing

policy that encourages employees, directors, vendors, and other stakeholders to report unethical activities or breaches of conduct. This mechanism ensures that concerns can be raised confidentially and addressed promptly.

- **Leadership Commitment:**

  The bank's leadership regularly reaffirms its dedication to ethical standards.

- **Corporate Governance Recognition:**

  Fidelity Bank's adherence to ethical practices has been recognized by external bodies. The Nigerian Exchange (NGX) rated the bank with a CG+ status, the highest rank under the Corporate Governance Rating System, reflecting its compliance with best practices and commitment to ethical business conduct.

These measures underscore Fidelity Bank's dedication to maintaining ethical business practices, fostering trust among its stakeholders, and ensuring long-term sustainability.

7. Innovating Digital Solutions

Fidelity Bank Nigeria has been at the forefront of digital innovation, implementing several initiatives to enhance banking services and promote financial inclusion:

1. **Digital Lending Solutions:**

   The bank introduced *'FastLoan'*, a digital lending platform offering Payday, Personal, and Micro Loans. This initiative aims to bring the informal sector into the formal financial system, providing quick and accessible credit to a broader customer base.

2. **Corporate Lending Digitalization:**

   In May 2022, Fidelity Bank partnered with Axe Finance to implement the Axe Credit Portal (ACP), automating the corporate credit lifecycle. This solution streamlined processes such as client onboarding, origination, and approval, enhancing operational efficiency and decision-making.

3. **Cross-Border Payment Solutions:**

   In August 2024, the bank collaborated with Mastercard to launch 'Fidelity Send', a cross-border payment service. This platform enables near-real-time funds transfer to over 60 countries, addressing challenges like high fees and slow processing times in international remittances.

4. **Digital Banking Platforms:**

   Fidelity Bank offers mobile and internet banking services, allowing customers to perform transactions without visiting physical branches.

5. **Agent Banking Network:**

   To extend banking services to underserved areas, the bank established an extensive agent banking network in rural and semi-urban regions. This network provides essential services like deposits, withdrawals, and bill payments, reducing barriers to financial access for low-income earners.

Through these initiatives, Fidelity Bank demonstrates a strong commitment to leveraging technology for financial inclusion and improved customer experience in Nigeria.

2.3. Fidelity Bank & UN Sustainable Development Goals

Fidelity Bank is deeply committed to aligning its operations and initiatives with the United Nations Sustainable Development Goals (SDGs). We recognize the pivotal role banks play in driving sustainable development and view the SDGs as a guiding framework for our sustainability efforts.

Our actions demonstrably contribute to the broader aims of sustainable development. Here's how we are making a difference:

Table 3: Our Contribution to the UN SDGs

SDG	Description	Fidelity Bank's Contribution	Key Impact/Metrics
SDG 3: Good Health and Well-being	Ensure healthy lives and promote well-being for all at all ages.	Donated a solar-powered water facility to the Eyosung Community in Akwa Ibom State.	Provided clean water for 8,000 people, promoting better health outcomes.
SDG 6: Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all.	Eyosung Community water project.	Directly contributes to access to clean water and sanitation.
SDG 8: Decent Work and Economic Growth	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	Partnered with NIYEEDEP to empower youths with job opportunities. Launch of 'Fidelity Send' to improve cross-border remittance. Launch of SME hub.	Empowers 6 million youths with job opportunities. Facilitates efficient and cost-effective remittances, empowers individuals and businesses. SME hub fosters innovation and collaboration.
SDG 9: Industry, Innovation, and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.	Launching an innovative SME Hub with creative studios.	Fosters innovation and collaboration among entrepreneurs, contributing to economic growth and job creation.
SDG 10: Reduced Inequalities	Reduce inequality within and among countries.	Launch of "Fidelity Send"	Lowering the cost of essential financial services, helping to bridge the gap for underserved communities and promote financial inclusion.
SDG 17: Partnerships for the Goals	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	Partnered with NIYEEDEP and collaborates with local and international bodies. Partnered with Mastercard for "Fidelity Send"	Enhances ESG initiatives and addresses climate-related risks and opportunities. Drives innovation and achieves sustainable development outcomes.

2.4. Adopting the Equator Principles

Fidelity Bank recognizes the critical importance of integrating environmental and social (E&S) considerations into our lending practices. As a signatory to the Equator Principles (EP) since November 2012, we are committed to responsible project finance. This section outlines our adherence to EP4, our robust E&S risk management framework, and our progress in fostering sustainable banking practices throughout 2024.

Integrating Environmental and Social Risk Management

To effectively integrate environmental and social considerations into our lending processes, we have a dedicated Sustainable Banking team within our Risk Management Directorate. This team reviews project-related credit requests exceeding US$10 million, the threshold set by the Equator Principles. Additionally, it evaluates requests below this threshold in accordance with national and international standards, including the CBN's Nigerian Sustainable Banking Principles (NSBP) and the IFC PS.

E&S Risk Assessment Procedures

Environmental and social risk assessment is an integral part of our credit analysis process. Every business-related credit is screened against a set of E&S criteria and classified accordingly. Mitigation measures for identified risks are included as loan preconditions and covenants. We have a robust data management system to support effective monitoring and reporting of E&S risks. On-site visits and periodic reports from customers help us monitor compliance with E&S conditions. We also actively engage with customers, providing guidance on achieving long-term sustainability through the identification and management of ESG risks and opportunities.

Capacity Building and Training

Our Sustainable Banking team coordinates capacity building programs for our Board, Management, and employees. Bank-wide internal communications are circulated periodically to foster a culture of robust environmental and social risk management. Training on E&S Risk Management is provided during staff induction, our Thursday lecture series, and through our E-Learning portal as well as through onsite and offsite training sessions conducted by internal and external facilitators.

Project Finance Activities in 2024

As a financial institution adopting the EPs, Fidelity Bank is committed to not supporting projects where the borrower fails to comply with the environmental and social requirements set forth by the EPs. As part of our E&S assessment procedures, we categorize projects in line with the IFC PS as follows:

1

Category A:

Projects with potential significant adverse social or environmental impacts that are diverse, irreversible, or unprecedented.

2

Category B:

Projects with potential limited adverse social or environmental impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and

3

Category C:

Projects with minimal or no social or environmental impacts.

The table below presents a report of our project finance activities, in line with Equator Principle 4 requirements for the period, 1 January to 31 December 2024. During the period, Fidelity Bank was not involved in any project-related refinancing, project-related acquisition financing, project finance related advisory services, project-related corporate loans and bridge loans, as defined in the Equator Principles.

Table 4: Our Project Finance Activities using the Equator Finance Principles

Project Finance Sector Reporting			
	E&S Risk Category		
Sector	A	B	C
Mining	0	0	0
Infrastructure	0	0	0
Oil and Gas	2	0	0
Power	0	0	0
Others	0	0	0
Total	**2**	**0**	**0**

Project Finance Regional Reporting			
	E&S Risk Category		
Region	A	B	C
Americas	0	0	0
Europe, Middle East and Africa	2	0	0
Asia And Oceania	0	0	0
Total	**2**	**0**	**0**

Project Finance Country Designation			
	E&S Risk Category		
Designation	A	B	C
Designated	0	0	0
Non-designated	2	0	0
Total	**2**	**0**	**0**

Project Finance Country Designation			
	E&S Risk Category		
Review	A	B	C
Yes	0	0	0
No	2	0	0
Total	**2**	**0**	**0**

2.5. Implementing the Nigerian Sustainable Banking Principles

In 2024, Fidelity Bank continued to solidify its commitment to the Nigerian Sustainable Banking Principles (NSBP), driving sustainable practices through a focus on financial inclusion, community development, and robust environmental and social risk management. Our leadership in sustainability reporting, evidenced by being the first Nigerian bank to publish a sustainability and climate report aligned with IFRS S1 and S2 Disclosure Standards, underscores our dedication to transparency and accountability.

Challenges and Opportunities:

- **Transparency:**
  Fidelity Bank is committed to elevating transparency in its sustainability reporting by providing stakeholders with comprehensive insights into specific initiatives and their resultant progress. This enhanced transparency serves to reinforce accountability and demonstrate the practical realization of our sustainability goals.

- **Industry Collaboration:**
  Fidelity Bank acknowledges the shared challenges faced by the financial sector in effectively implementing the Nigerian Sustainable Banking Principles (NSBP). Our vision is to foster a collaborative environment where industry peers work together to overcome these obstacles. To this end, Fidelity Bank is committed to actively engaging in collaborative initiatives and advocating for a heightened focus on sustainability at the Bankers' Committee level. By championing collective action, we aim to drive significant improvements in NSBP implementation across the banking industry, ensuring a more sustainable and responsible financial landscape.

NSBP's Role in Sustainable Development:
The NSBP aligns with Nigeria's broader sustainable development goals. Fidelity Bank recognizes the financial sector's crucial role in driving positive change and contributing to a sustainable and inclusive economy. The nine principles provide a framework for integrating sustainability into core business strategies.

Table 5: Fidelity Bank's Sustainability Initiatives (Aligned with NSBPs)

Principle (NSBP)	Key Area	Fidelity Bank Initiatives
1. Environmental and Social Risk Management	Impact Management	Comprehensive Environmental and Social Risk Assessment (ESRA) process for all loans, factoring in climate risks. Adherence to relevant local and international standards in managing E&S risks.
2. Environmental and Social Footprint	Impact Management	Integration of environmental considerations into core business operations.
3. Human Rights	Social Responsibility	Our CSR and focus on community development
4. Women's Economic Empowerment	Social Responsibility	Demonstrated through our commitment to financial inclusion and tailored programmes and products focused on women, as well as promotion of gender diversity within the workplace.
5. Financial Inclusion*	Social Responsibility	Championing financial inclusion to stimulate economic growth and alleviate poverty. Promoting financial literacy and providing tailored solutions to underserved communities. Expanding access to banking services.
6. E&S Governance	Governance & Collaboration	Integration of sustainability into corporate strategy, focusing on environmental stewardship, social responsibility, and governance.
7. Capacity Building	Capacity & Transparency	Our commitment to best practices and reporting
8. Collaborative Partnerships	Governance & Collaboration	Partnership with NIYEEDEP (National Institute for Youth Empowerment and Development) to empower Nigerian youths.
9. Reporting	Capacity & Transparency	* Leadership in sustainability reporting, including publishing a report compliant with IFRS S1 and S2 Disclosure Standards.

2.6. Aligning with the Principles for Responsible Banking

Building upon our commitment to sustainable finance, Fidelity Bank, having become a signatory to the UN Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (PRB) in 2023, has made significant strides in 2024 to embed these principles across our operations. This decisive action underscores our conviction that sustainability is not merely an adjunct to our corporate strategy but a fundamental and integrated component.

We have actively leveraged the PRB framework to align our banking strategies and practices with the globally recognized Sustainable Development Goals (SDGs) and the Paris Climate Agreement. Our achievements in 2024 demonstrate our dedication to integrating the six PRB principles at strategic, portfolio, and transactional levels, marking substantial progress toward our goal of a fully sustainable banking model. Moving forward, Fidelity Bank aims to further enhance this integration, demonstrating measurable progress and leadership in responsible banking practices.

Our Approach to the Six PRB Principles:

Fidelity Bank's commitment to responsible banking is evident in our proactive approach to integrating the Six Principles for Responsible Banking (PRB) into our operations. In 2024, we have focused on translating these principles into tangible actions and measurable outcomes:

Alignment:
We have strategically aligned our business strategy with the Sustainable Development Goals (SDGs) and the Paris Climate Agreement, setting ambitious targets and actively reducing our environmental footprint.

Impact and Target Setting:
Through comprehensive assessments, we have identified both positive and negative impacts of our activities, establishing SMART targets and robust methodologies for measuring progress.

Clients and Customers:
We have partnered with clients to promote sustainable practices, offering green financial products, providing advisory support, and fostering collaborative initiatives.

Stakeholders:
We have engaged in open dialogue with stakeholders, incorporating their perspectives into our decision-making processes to build trust and foster shared value.

Governance and Culture:
We have strengthened our governance structures and fostered a culture of responsibility, providing training programs and integrating sustainability into performance evaluations.

Transparency and Accountability:
We have committed to transparently communicating our sustainability performance through regular reporting and active stakeholder engagement a practice we have consistently upheld.

Fidelity Bank demonstrated tangible progress in embedding the Principles for Responsible Banking (PRB) across its operations. This commitment translated into concrete initiatives across various business lines, including the introduction of new sustainable finance products designed to support clients in their own sustainability journeys. We also deepened our engagement with local communities through enhanced programs, recognizing their vital role in achieving a sustainable future. To ensure transparency and accountability, we implemented rigorous progress measurement and reporting mechanisms, making our achievements and challenges readily accessible to the public.

We fostered stronger relationships with stakeholders through diverse channels, actively incorporating their valuable feedback. Furthermore, we invested in capacity building programs to equip our employees with the knowledge and skills necessary to integrate sustainability into their daily work. By collaborating strategically with industry peers, associations, and organizations, we are actively contributing to a more sustainable financial ecosystem. Fidelity Bank remains steadfast in its commitment to the PRB, driving progress towards a more sustainable financial system and a better future for all.

The Responsible Banking Progress Statement outlines the six principles that are required from PRB Signatories, and these include:

Principle 1: Alignment

This principle requires a description of the Bank's sustainability strategy, and which international, regional or national frameworks and UN Sustainable Development Goals it aims to align with.

Principle 2: Impact and Target Setting

Principle 2 requires a description of the Bank's most significant impact areas and the steps taken to identify, measure and manage them—including impact analysis results, targets set (including sectors, portfolio coverage, and KPIs), actions taken, and progress against the targets. Where targets have been set, the Bank is required to share details of its transition/action plan, and progress made.

Principle 3: Clients and Customers

This principle requires a description on how the Bank works responsibly with clients and customers in relation to significant impacts, including products and services offered, internal policies and processes and engagement to implement targets/ action plans/transition plans to encourage sustainable practices/economic activities.

Principle 4: Stakeholders

Principle 4 requires a description of how the Bank consults, engages and collaborates/ partners with relevant stakeholders for the purpose of implementing the principles. This could include understanding impacts, setting ambitious targets, advocating for enabling regulatory/policy environments, and creating partnerships that contribute to addressing significant impacts.

Principle 5: Governance and Culture

This principle requires a description of the key governance structures in place at the Board and Management levels along with associated accountability mechanisms to implement the principles. This includes how governance frameworks support the Bank's management of significant impacts and risks, as well as the setting, implementation, and monitoring of targets and transition plans. Additionally, it should briefly describe how a culture of responsible banking is fostered internally, for example, through employee learning and development initiatives.

Principle 6: Transparency and Accountability

This principle requests for references to additional relevant reports, if not listed as references with P1–P5.

2.7. Embracing the Women's Empowerment Principles

Fidelity Bank recognizes that empowering women is not only a fundamental human right but also essential for sustainable economic development. Guided by the Women's Empowerment Principles (WEPs), we are dedicated to promoting gender equality within our workforce, our marketplace, and the community. In 2024, we continued to build on our commitment through targeted initiatives focused on financial inclusion, capacity building, and promoting the well-being of women.

1

WEP 1: Establish High-Level Corporate Leadership for Gender Equality

Fidelity Bank's Women's Economic Empowerment Policy provides a strong foundation for our commitment to gender equality. This is further reinforced by our alignment with the Central Bank of Nigeria's requirements for gender diversity and inclusion. The Bank ensures strong female representation in our workforce and provides equal opportunities for career advancement, healthcare access, and financial support.

2

WEP 2: Treat All Women and Men Fairly at Work – Respect and Support Human Rights and Non-discrimination

Fidelity Bank champions fair treatment and non-discrimination in the workplace. We provide equal opportunities for all employees, regardless of gender, and foster an inclusive environment where everyone can thrive.

3

WEP 3: Ensure the Health, Safety and Well-being of All Employees

Recognizing the importance of mental well-being, Fidelity Bank hosted a Mental Health Awareness Webinar in September 2024 with the theme, "Let's Talk About Mental Health Stigma." This initiative facilitated open conversations about mental health challenges and solutions, attracting 1,950 registrants and receiving over 90% positive feedback in a post-event survey. To further support mental well-being, Fidelity Bank rewarded 45 participants with therapy and spa sessions. The webinar reached a wide audience, with participants from diverse industries such as trading, fashion, IT, transportation, logistics, and agriculture. The geographic coverage extended across cities including Lagos, Abuja, Kano, Oyo, Rivers, Kogi, Gombe, and Adamawa.

4

WEP 4: Promote Education, Training and Professional Development for Women

Fidelity Bank, in partnership with ImpactHER, facilitated three cohorts of digital skills training programs for women entrepreneurs and female-led SMEs. Over 6,000 women participated in these sessions, gaining essential business management and digital skills to enhance their enterprises. The training themes included "Green Economy in Business" and "Beginner Digital Skills Courses." This initiative reinforces the Bank's commitment to capacity-building, ensuring that female entrepreneurs are equipped with the knowledge and tools to scale their businesses.

5

WEP 5: Implement Enterprise Development, Supply Chain and Marketing Practices that Empower Women

Fidelity Bank continues to develop and expand its financial products and services tailored to the needs of women-led businesses. Through targeted lending practices and advisory services, we aim to support women entrepreneurs in accessing the resources they need to grow and succeed.

6

WEP 6: Promote Equality through Community Initiatives and Advocacy

In March 2024, Fidelity Bank sponsored the Guardian Women Festival, commemorating International Women's Day by recognizing the achievements of women across various sectors. The program spotlighted trailblazing women who inspire both other women and their male allies. The event featured keynote presentations and panel discussions under the theme "Inspiring Inclusion", with key focus areas including:

- Financial Inclusion
- Board Inclusion
- STEM Inclusion
- Education Inclusion
- Entrepreneurship & Innovation Inclusion
- Political Inclusion
- Digital Skills Training for Women

In 2024, Fidelity Bank expanded its impact on women's economic empowerment through financial inclusion, capacity-building, and wellness initiatives. The Bank remains committed to championing gender equality and providing ongoing support to women-led enterprises, reinforcing its position as a key driver of women's empowerment in Nigeria.

2.8. Adopting The Ten Principles of the UN Global Compact

We are committed to upholding the Ten Principles of the UN Global Compact, a universally recognized framework for responsible and sustainable business conduct. These principles, derived from key international human rights, labor, environmental, and anti-corruption conventions, provide a comprehensive guide for our operations and interactions with stakeholders.

Respecting Human Rights and Upholding Labor Standards

At Fidelity Bank, we are deeply committed to respecting human rights and upholding the highest labor standards in all our operations and business activities. This commitment extends beyond mere compliance with laws and regulations; we actively seek to identify and mitigate any potential negative impacts on human rights and labor rights, both within our organization and throughout our value chain.

We champion the protection of internationally proclaimed human rights, recognizing the inherent dignity and worth of all individuals. This includes respecting the rights of our employees, customers, vendors, communities, and all those affected by our operations. We strive to create a positive impact by promoting human rights through our products, services, and community engagement initiatives.

Furthermore, we uphold the fundamental rights of workers, including the freedom of association, the right to collective bargaining, and the elimination of all forms of forced and compulsory labor. We are committed to providing a safe and inclusive workplace, free from discrimination and harassment, where all employees are treated with dignity and respect. We believe that a workplace that values diversity, equity, and inclusion fosters innovation, creativity, and a sense of belonging for all employees.

Our commitment to labor standards extends beyond our own operations. We also strive to promote fair labor practices within our supply chain, working with our suppliers and partners to ensure that their operations align with our values and ethical standards.

Environmental Stewardship

This commitment to ethical conduct and social responsibility naturally extends to our approach to environmental stewardship. We recognize the urgent need to address environmental challenges and are dedicated to promoting greater environmental responsibility in all our activities. We adopt a precautionary approach to environmental management, striving to minimize our environmental footprint and invest in initiatives that promote resource efficiency, renewable energy, and sustainable practices. This includes reducing our own operational impact, supporting our clients in their transition to more sustainable practices, and promoting environmentally friendly technologies through our financing and investment activities.

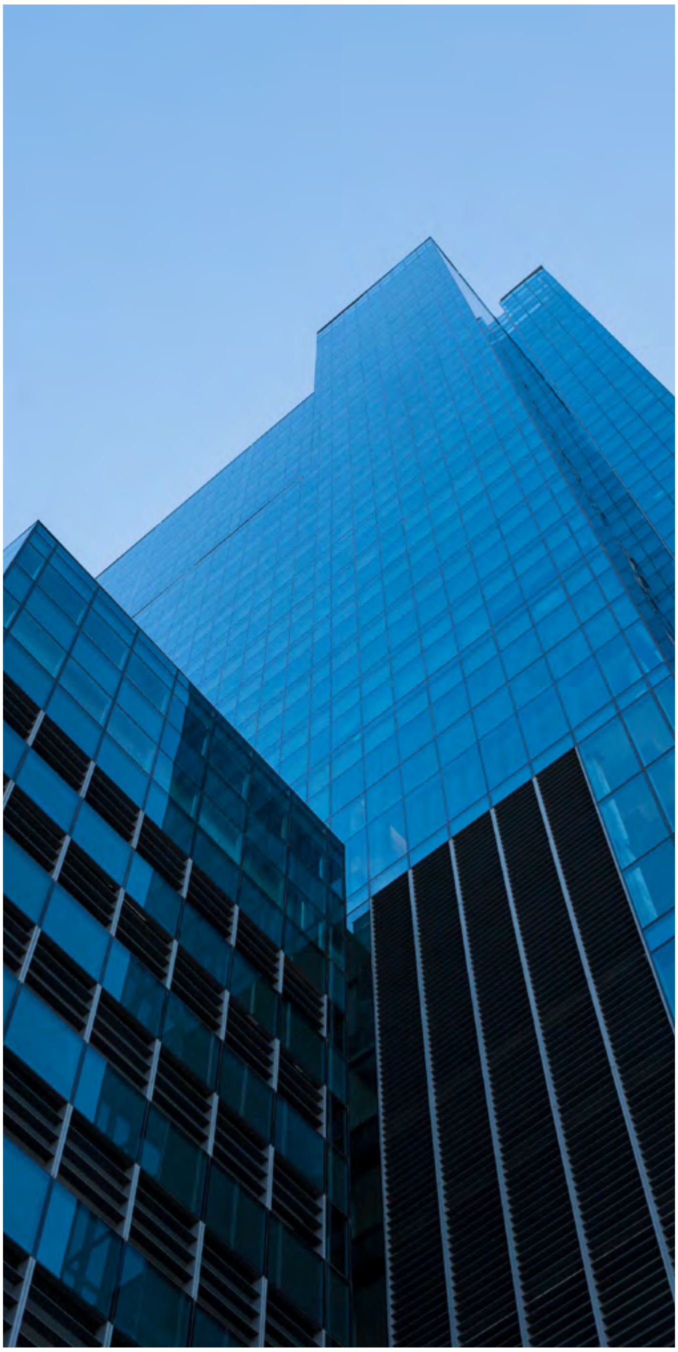
Aligning with the UN Global Compact unlocks significant opportunities that drive positive change and strengthen our business. It enhances our reputation as a responsible corporate citizen, builds trust with stakeholders, and strengthens our social license to operate. This commitment to sustainability attracts investors who prioritize ESG factors, providing access to new funding streams and driving growth.

By integrating the Ten Principles into our risk management processes, our long-term resilience is further enhanced as it enables us to proactively identify and mitigate ESG-related risks. Furthermore, prioritizing sustainability and ethical practices boosts employee morale, helping us attract and retain top talent. The core tenets of the principles have promoted us to create new and innovative products and services that meet the growing demand for responsible and sustainable solutions. Ultimately, by upholding the Ten Principles, we contribute to a more sustainable future for Nigeria and the world, aligning our business activities with societal goals and promoting positive change.

2.9. Strategy, Business Model and Materiality (ESRS 2, IFRS S1 and IFRS S2)

2.9.1. Stakeholder Engagement:

Fidelity Bank recognizes the importance of engaging with its stakeholders to understand their perspectives, address their concerns, and build strong relationships based on trust and mutual understanding.



Description of Key Stakeholder Groups and Engagement Methods:
Fidelity Bank has identified the following key stakeholder groups:

Table 6: Our Stakeholder Engagement Methods

Stakeholder Group	Description	Engagement Methods
Customers	Individuals, businesses, and organizations that use the bank's financial products and services.	Surveys, feedback forms, focus groups, social media, customer service interactions, relationship managers, complaints managing mechanisms
Employees	All individuals employed by Fidelity Bank.	Intranet, staff meetings, newsletters, surveys, training programs, performance reviews, employee resource groups, whistleblowing channels
Investors/Shareholders	Individuals and institutions that own shares in Fidelity Bank or provide other forms of capital.	Annual General Meetings (AGMs), investor presentations, investor relations website, sustainability report, meetings and calls with analysts and investors
Regulators	Government agencies responsible for overseeing the banking industry.	Regulatory filings, meetings, consultations, participation in industry working groups
Suppliers	Businesses that provide goods and services to Fidelity Bank.	Supplier assessments, audits, contracts, meetings, workshops
Communities	Local communities where the bank operates.	Community meetings, town halls, partnerships with local organizations, social investment programs, grievance mechanisms
NGOs/Civil Society	Non-governmental organizations and civil society groups focused on environmental, social, and governance issues.	Meetings, conferences, partnerships on specific projects, participation in multi-stakeholder initiatives
Media	Journalists, reporters, and media outlets that cover the banking industry and sustainability issues.	Press releases, media briefings, interviews, social media
Government	Includes ministries, departments, and agencies at all levels of government that the bank interacts with on various regulatory and policy related matters.	Meetings, conferences, partnerships on specific projects
Industry Peers	Other banks and financial institutions operating in Nigeria and internationally.	Industry associations, conferences, benchmarking exercises, collaborative initiatives

How Stakeholder Feedback is Incorporated into Decision-Making:

We deeply value the perspectives of our stakeholders and actively seek their input to inform our decision-making. We provide various channels, such as surveys and online platforms, for stakeholders to share their feedback, ensuring their voices are heard. We carefully analyze this feedback and prioritize it based on its relevance to our business and overall materiality. We then integrate these valuable insights into the development and refinement of our sustainability strategy, policies, and practices.
We believe in transparent communication and regularly report back to our stakeholders on how their feedback has been considered and what actions we have taken in response. This commitment to incorporating stakeholder feedback strengthens our relationships, enhances our decision-making, and ensures our sustainability efforts are aligned with the needs and expectations of those we impact. We believe this collaborative approach is essential for building trust and achieving our sustainability goals.

2.10. Materiality Assessment Process

Recognizing the interconnectedness between business success and sustainability, a robust materiality assessment process is essential for identifying and prioritizing the most significant environmental, social, and governance (ESG) factors.
We understand that by employing the double materiality principle, we gain a comprehensive understanding of both the impact of sustainability factors on our business (financial materiality) and the impact of their operations on the environment and society (impact materiality). This holistic approach ensures that decision-making considers the most critical sustainability concerns, fostering both business resilience and a positive contribution to a sustainable future.

Determining Materiality Threshold

We compiled Impacts, Risks, and Opportunities (IROs) for the ESRS topical areas and assigned sub rankings for Impact Materiality and Financial Materiality. For Impact Materiality, sub rankings were assigned for potential positive and potential negative impacts and for Financial Materiality, magnitude and likelihood were used as sub rankings. All rankings were done using a ranking threshold of 1-5 (where 1 is the least and 5 is the most).

Sub ranking for potential positive impact:

- **Scale:** how beneficial is the positive impact Fidelity Bank is making, for people and the environment
  1- Minimum impact on people, economy, or environment
  2- Minimum impact within host community
  3- Medium scale impact
  4- Medium-large scale impact
  5- Large scale impact

- **Scope:** how widespread are the positive impacts. For example, are Fidelity bank's efforts beneficial to a small area e.g. an immediate community, a sizable area e.g. a state, the country or the world at large.

  1- Minimum effect on population and ecosystem, negligible economic gain
  2- Limited impact with some gains
  3- Medium scale impact with some gains
  4- Widespread impact with significant gains
  5- Global impact to vast population and ecosystem, with high economic gains

- **Likelihood:** how sustainable is the impact in the long term.

  1- Will last for a limited time (6 months) and benefit a very small group of people
  2- Will last for a limited (1 year) time and benefit a significant number of people
  3- Can be extended or leveraged to create positive impact for a longer time (3 years)
  4- Will be beneficial for a long time (4 -5 years) on a national scale
  5- Will be beneficial for a long time (more than 5 years) and have a positive influence on a global scale

Sub ranking for potential negative impact:

- **Scale:** how grave is the negative impact Fidelity Bank is making for people or the environment.

  1- Minimum impact to victim, economy, or environment
  2- Minimum impact within host community
  3- Medium scale impact
  4- Medium-large scale impact
  5- Large scale impact with high damage and complete destruction

- **Scope:** how widespread the negative impacts are. For environment, to what extent has the damage been done? A small area e.g. an immediate community, a sizable area e.g. a state, the country or the world at large

  1- Minimum effect on population and ecosystem, negligible economic costs
  2- Limited impact with some costs
  3- Medium scale impact with some costs
  4- Widespread impact with damage and costs
  5- Global impact to vast population and ecosystem, with high economic costs

- **Irremediable character of the impact:** whether and to what extent the negative impacts could be restored or reversed, i.e., restoring the environment or affected people to their prior state.
  1- Not difficult to remedy – the bank is ready for any potential issue
  2- Sufficient preparation to remedy for most issues relating to the topic.
  3- May be difficult to remedy impact.
  4- Very difficult to remedy.
  5- Non-remediable

- **Likelihood:** how possible is it to either reverse or not reverse the negative impact
  1- Rare
  2- May not happen.
  3- May happen.
  4- Almost certain
  5- Certain

Sub ranking for anticipated financial opportunities:

- **Magnitude**: What is an estimated financial gain in naira
- **Likelihood of Occurrence:** what are the chances that it will materialise and positively affect the Bank's financial position.

Sub ranking for anticipated financial risks:

- **Magnitude:** What is an estimated financial risk in naira
- **Likelihood of Occurrence:** what are the chances that it will materialise and negatively affect the Bank's financial position.

  We used a 1 – 5 Scale used for anticipated financial risks and opportunities, which include:

- **Magnitude**

  1- Negligible= ≤ 5,500,000.00
  2- Minor = within 137,500,000.00 - 549,999,999,00
  3- Moderate= within 550,000,000.00 - 1,649,999,999.00
  4- Major = within 1,650,000,000.00 - 2,749,999,999.00
  5- Critical = 2,750,000,000.00 and higher

  The scale for magnitude was determined by using the average of our Profit before tax for the last 5 years (2019 – 2023) as disclosed in the bank's annual report.

- **Likelihood**

  1- Highly Unlikely
  2- Unlikely
  3- Likely
  4- Highly Likely
  5- Extremely Likely

We calculated the average scores using average weights and normalised data to get final scores.

Building on the double materiality approach, this assessment has enabled us to pinpoint the key environmental, social, and governance (ESG) issues that are most relevant to our business and stakeholders. These material topics represent the areas where we have the potential to generate the most significant positive impact, as well as those where we face the most significant sustainability-related risks.

Key Steps in Our Materiality Assessment Process:

1 Identify Potential Topics

Review internal documents (strategic plan, risk assessments) and external sources (ESRS, IFRS S1 & S2, peer benchmarking). Gather stakeholder input to understand the broader sustainability landscape.

2 Assess Financial Materiality

Evaluate potential financial risks and opportunities of each topic, considering impacts on revenues, costs, assets, and access to capital (short and long-term). Include a detailed assessment of climate-related and other ESG risks, evaluating the likelihood and magnitude of potential financial impacts.

3 Assess Impact Materiality

Assess how activities affect the environment and society, identifying and evaluating actual and potential positive and negative impacts. Consider the severity, scale, irremediable impact of the character, and likelihood of impacts, with a strong emphasis on stakeholder feedback.

4 Prioritize & Develop Matrix

Combine financial and impact materiality assessments into a matrix to visualize the relative importance of each topic. Prioritize topics deemed financially material with significant environmental/ social impacts. Establish clear thresholds for materiality reporting based on the matrix, ensuring focused and transparent reporting.

5 Validate & Review

Senior management and board committees internally review and validate the results. Seek external feedback when possible. Review and update the assessment at least annually to reflect changes in business, the external environment, and stakeholder expectations.

Table 7: Revalidated Material Topics:

We conducted a materiality assessment in the previous reporting year, in which we scoped in GRI and IFRS S1 and S2. This year, our stakeholders revalidated the topics as still relevant to our operations. The topics are:

Material Topic Category	Specific Material Topics
Environmental	Climate Change Mitigation & Adaptation
	Resource Efficiency and Pollution (water, energy, waste)
	Biodiversity and Ecosystems
Social	Financial Inclusion
	Employee Well-being, Diversity, and Inclusion
	Human Rights (labor rights, non-discrimination)
	Community Engagement and Development
	Data Privacy and Security
Governance	Corporate Governance (board diversity, ethics)
	Business Ethics and Risk Management (credit, operational, ESG)
	Transparency and Reporting
	Business Conduct
	Procurement Practices
	Anti-Corruption
	Taxation

Mapping of Material Topics to ESRS

To scope in ESRS, we conducted a double materiality assessment. However, to avoid invalidating the material topics that our stakeholders have revalidated, we mapped them to ESRS topics, as seen in the table below.

Table 8: Mapping of Material Topics to ESRS

	Material Topic	ESRS Alignment
1	Climate change	E1
2	Energy	E1
3	Water & Effluent	E3
4	Biodiversity	E4
5	Waste	E5
6	Stakeholder Engagement	S1, S2, S3 and S4
7	Customer Privacy	S4
8	Occupational Health and Safety	S1 and S2
9	Training and Education	S1
10	Diversity and Equal Opportunities	S1 and S2
11	Human Rights	S1, S2, S3 and S4
12	Local Communities	S3
13	Health and Safety	S1 and S2
14	Economic Performance	G1
15	Market Presence	
16	Indirect Economic Impact	
17	Anti-corruption	
18	Tax	

Our methodology and scoring scales are further explained in the ESRS disclosure section (3.1.4. Impact, risk and opportunity).

03

Our Sustainability Statement

3.1. General Disclosures

This 2024 Sustainability and Climate Report provides a comprehensive and transparent overview of Fidelity Bank's sustainability performance throughout the fiscal year. We are committed to adhering to the highest reporting standards, aligning with the European Sustainability Reporting Standards (ESRS) and International Financial Reporting Standards (IFRS) S1 and S2. This ensures a standardized and thorough approach to disclosing our sustainability performance, impacts, risks, and opportunities, including climate-related financial information.

Reporting Scope

The report covers all material sustainability matters across our entire organization, including our headquarters and all branch locations. It is prepared on a consolidated basis, encompassing all entities under Fidelity Bank's operational control, and excludes FidBank UK.

We uphold the principles of accuracy, balance, clarity, comparability, reliability, and timeliness in our reporting. Our methodologies for data collection and analysis involve robust internal systems, cross-functional collaboration, regular performance reviews, and materiality assessments. We are dedicated to continuously refining these methodologies to enhance the quality and transparency of our sustainability reporting.

For this general disclosure section, we have disclosed the contents as highlighted in the table below.

Table 9: Summary of our ESRS Disclosures

Category	ESRS Code	Description	Fidelity Bank's Approach
Basis of Preparation	BP-1	General basis for preparing the sustainability statements.	This sustainability report follows ESRS, IFRS S1, and IFRS S2 standards, providing a consistent framework for disclosing our sustainability performance, impacts, risks, and opportunities, particularly concerning climate-related financial information.
	BP-2	Disclosures related to specific circumstances, such as estimations, errors, or changes in presentation.	We have disclosed any material estimations, errors, or changes in the presentation of its sustainability information, providing explanations and justifications.

Governance	**GOV-1**	Role, composition, tasks, and responsibilities of administrative, management, and supervisory bodies concerning sustainability.	Our Board of Directors hold ultimate responsibility for sustainability. The Board Risk Management Committee oversees sustainability and climate-related risks and opportunities. The Sustainable Banking Governance Committee oversees implementation. Roles and responsibilities are clearly defined at all levels.
	GOV-2	Communication of sustainability-related matters to governing bodies and how they address them.	The Sustainable Banking Governance Committee regularly reports to the Board Risk Management Committee on sustainability performance, risks, opportunities, and compliance. Key metrics, risk assessments, stakeholder feedback, and independent assurance reports are provided.
	GOV-3	Integration of sustainability-related performance into incentive schemes.	Sustainability-related performance is currently incorporated into our incentive schemes, including executive appraisal and target achievement. We continue to explore ways to further align specific sustainability metrics with our remuneration policies to strengthen long-term value creation.
	GOV-4	Statement on the company's due diligence processes related to sustainability.	Fidelity Bank has implemented comprehensive sustainability due diligence processes, including environmental and social risk assessments, supply chain due diligence, and client due diligence incorporating ESG factors.
	GOV-5	Risk management and internal control processes concerning sustainability reporting.	Sustainability risks are integrated into the bank's overall risk management framework. Internal controls are in place for sustainability data collection, validation, and reporting.

Strategy	**SBM-1**	Strategy, business model, and value chain, highlighting interactions with material impacts, risks, and opportunities.	Fidelity Bank integrates sustainability into its core business model and strategy, recognizing its importance for long-term value creation. The bank's sustainability strategy addresses material impacts, risks, and opportunities across its operations, lending portfolio, and supply chain.
	SBM-2	Consideration of stakeholder interests and views in strategy and decision-making.	We actively engage with stakeholders to understand their expectations and concerns regarding sustainability. Stakeholder input is considered in strategic planning and decision-making.
	SBM-3	Material impacts, risks, and opportunities and their influence on strategy and business model.	Fidelity Bank conducts a materiality assessment to identify and prioritize sustainability topics. The results inform the bank's strategy, risk management, reporting, and resource allocation.
Impact, Risk & Opportunity Management	**IRO-1**	Processes used to identify and assess material impacts, risks, and opportunities.	Fidelity Bank employs a systematic approach to identifying and assessing sustainability-related impacts, risks, and opportunities, including materiality assessment, risk and opportunity mapping, stakeholder engagement, horizon scanning, and internal reporting.
	IRO-2	Management of material sustainability matters through policies and actions.	Our identified impacts, risks, and opportunities are integrated into strategic planning and risk management frameworks. Policies and actions are implemented to address material sustainability matters.

		Overarching approach and systems for overseeing sustainability, including organizational structures, decision-making processes, and day-to-day operations.	Fidelity Bank has a resolute Sustainable Banking Governance Committee and a Sustainable Banking Team to oversee and implement its sustainability strategy. Sustainability is embedded in decision-making processes and day-to-day operations.
Metrics & Targets	**MDR-P**	Policies related to material sustainability matters.	Fidelity Bank has established policies on key sustainability matters, including environmental management, social responsibility, sustainable finance, climate change, diversity and inclusion, and a supplier code of conduct.
	MDR-A	Actions taken to address material sustainability matters.	The Bank implements various actions to achieve its sustainability objectives, such as energy efficiency initiatives, renewable energy procurement, waste reduction programs, sustainable finance products, community investment programs, and employee training.
	MDR-M	Metrics used to measure performance on material sustainability matters.	We track a comprehensive set of environmental, social, and governance metrics, including greenhouse gas emissions, energy and water consumption, waste generation, diversity and inclusion statistics, customer satisfaction scores, and community investment spend.
	MDR-T	Targets set to improve sustainability performance.	Fidelity Bank has set ambitious, yet achievable targets aligned with its sustainability strategy, including targets related to climate change (in line with IFRS S2), environmental footprint reduction, social impact, and governance.

3.1.1. Basis for Preparation

BP-1, BP-2

Our sustainability statement has been prepared to capture the scope of our entire business operations and the assessment of our environmental, social and governance impacts. We have prepared this report within the scope and timeline of our 2024 financial statement to ensure consistency and comparability between our financial and sustainability disclosures.

This sustainability report covers Fidelity Bank's entire value chain (upstream and downstream) which includes our suppliers, partners, agents, and customers as outlined in ESRS 1 section 5.1. Keeping with our commitment to protect our stakeholders' data and exercise the right to protect our intellectual property, we have omitted sensitive information in line with ESRS 1 section 7.7 yet maintain transparency while preparing this report. Still on transparency, areas where we have used indirect sources, data proxies and sector averages have been clearly stated.

3.1.2.Governance

GOV-1, GOV-2, GOV-3, GOV-4, GOV-5

Sustainability-related Board Committee

At Fidelity Bank, we have a dedicated team responsible for managing sustainability and climate-related impacts, risks, and opportunities. At the Board level, the Board Risk Management Committee (BRMC) oversees these efforts, while at the management level, the Sustainable Banking Governance Committee (SBGC) is responsible for overseeing them. The committee comprises 22 members, chaired by the Managing Director/CEO, and includes:

- All Executive Directors
- Chief Compliance Officer
- Chief Financial Officer
- Chief Information Officer
- Chief Human Resources Officer
- Divisional Head, Credit Administration & Sustainable Banking
- Divisional Head, Product Development
- Divisional Head, Operations
- Divisional Head, Internal Control
- Divisional Head, Corporate Services
- Divisional Head, Brand and Communications
- Divisional Head, Loan Portfolio Monitoring and Reporting
- Company Secretary
- Divisional Head, Legal Services
- Divisional Head, Strategy, Innovation & Business Transformation
- Group Head, SME Product Development
- Chief Security Officer
- Head, Financial Inclusion
- Head, IFRS Reporting & Emerging Issues
- Head, Corporate Social Responsibility (CSR)
- Head, Sustainable Banking

The committee was carefully structured to ensure a well-rounded approach to sustainability and climate-related matters. The Head of Sustainable Banking provides expertise in addressing key sustainability and climate-related impacts, risks, and opportunities. Additionally, the Board undergoes capacity-building sessions to enhance their understanding and ability to manage material sustainability and climate-related issues effectively.

To maintain the committee's effectiveness, skills and expertise are continuously mapped to align with the bank's material sustainability and climate risks and opportunities. The committee's composition is reviewed every two years to ensure it remains relevant and well-equipped to address the evolving sustainability landscape.

The SBGC convenes at least six times annually and operates under a Terms of Reference document that outlines the committee's roles and responsibilities, which can be summarised as follows:

- Overseeing the establishment, implementation, and maintenance of the Environmental and Social Risk, Climate Risks and Opportunities Management Systems.
- Overseeing the implementation and management

of the Bank's E&S footprints and climate risks metrics.

- Overseeing the implementation of other sustainability cross cutting issues in the bank.
- Reviewing the Bank's environmental and climate risk and opportunity performance and progress, to consider and approve methods of measuring, assessing, or validating the Bank's performance, and, where appropriate, assigning external independent assessment of the direct and indirect impact of any aspect of the Bank's operations.
- Providing guidance on the Sustainability and climate component of Directors' training programmes and providing the Board with assurance that relevant executive training programmes, including ensuring that credit and marketing officer training courses contain appropriate training on Sustainability and climate risks and opportunities.
- Overseeing the Bank's charitable activities and environmental and climate partnerships.
- Appointing, employing or retaining Environmental and Social and Climate Risk Consultants as may be considered appropriate.
- Reviewing and advising the Board on the Bank's Sustainability and Climate reporting.

In 2024, the Sustainable Banking Governance Committee (SBGC) prioritized key sustainability impacts, risks, and opportunities, including:

Resource Utilization Energy and fuel consumption, water use, paper reduction, waste management, pollution control, and loss prevention.	**Sustainable Procurement**	**Employment Practices** Compliance with labor policies in line with local regulations and international standards.	**Equality, Diversity, and Inclusion** Promoting equal opportunities and fostering a diverse workforce.
Women Empowerment Implementing policies that support gender equality across business operations and activities.	**Occupational and Safety Health Management**	**Financial Inclusion** Developing products for the unbanked and promoting financial literacy.	**Climate Risk and Opportunities Management** Implementing recommendations from the Bank's Physical and Transition Risks Assessment.

The SBGC remains well-informed on sustainability matters through regular meetings and reports.

Sustainability-related Performance in Incentive Schemes.

Sustainability-related performance is embedded within our incentive scheme influencing both executive appraisal and the achievement of set targets. We are also continuing to assess ways to deepen the integration of specific sustainability metrics into our remuneration framework to support long term value creation.

Due Diligence on Sustainability-related Matters

At Fidelity Bank, we recognize the potential positive and negative impacts of our operations across our value chain. These impacts have been integrated into our strategy and business model to drive sustainable growth. However, with our first adoption of the European Sustainability Reporting Standards (ESRS), we have conducted a deeper assessment to identify additional potential impacts. These insights were instrumental in our double materiality assessment and will be further incorporated into our strategy and operations. Details on our due diligence processes are outlined throughout this report.

Table 10: Areas of Due Diligence in Our Sustainability Statement

S/N	Core elements of sustainability due diligence	Paragraphs in the sustainability statement	Page Number
1	Embedding due diligence in governance, strategy and business model	Sustainability-related Board Committee, Sustainability-related Performance in Incentive Schemes, Sustainability Strategy	44 - 45
2	Engaging with affected stakeholders	Sustainability-related Board Committee, Interests and Views of Stakeholders, Impact, risk and opportunity management, Policies, Actions, Metrics and Targets Mapped to Each Material Topic, Stakeholder engagement	78 - 80
3	Identifying and assessing negative impacts on people and environment	Double Materiality Methodology, SBM-3	34 - 38
4	Taking action to address negative impacts on people and environment	Policies, Actions, Metrics and Targets Mapped to Each Material Topic	51 - 96
5	Tracking the effectiveness of these efforts	Policies, Actions, Metrics and Targets Mapped to Each Material Topic	51 - 96

Risk Management and Internal Controls for Sustainability Reporting

To ensure the accuracy, completeness, and reliability of our sustainability disclosures, Fidelity Bank has a robust risk management and internal controls system. We continue to explore ways to strengthen these controls to address a broader range of sustainability-related risks.

To uphold data integrity, we have established three dedicated teams responsible for the collection and validation of sustainability data.

1. Sustainable Banking Team – Manages the sustainable banking management system, where data related to our operational carbon footprint is uploaded. The system includes a cluster control mechanism, with Resident Control Officers (RCOs) responsible for validating data from various bank branches. Once branch Heads of Operations input data, RCOs ensure its accuracy before final submission.

2. Data Protection Team – Oversees data security and risk mitigation by implementing strong access controls, audit trails, and monitoring systems. This team also manages the bank's Database Management System (DBMS) to maintain data accuracy, consistency, and transparency while ensuring compliance with data privacy and protection regulations.

3. Internal Audit Team – Conducts regular audits of sustainability reports and performs compliance checks to verify the accuracy of reported data. Their oversight strengthens the reliability of our sustainability disclosures.

Through these measures, Fidelity Bank is committed to enhancing transparency, accountability, and trust in our sustainability reporting, ensuring that our disclosures align with global best practices.

We have disclosed more content on our sustainability-related governance content in the IFRS Governance section.

3.1.3. Strategy

SBM- 1, SBM-2, SBM-3
Sustainability Strategy
We are dedicated to embedding sustainability into our corporate strategy. This commitment is reflected in our sustainability strategy, which is aligned with our overall business model and encompasses our entire value chain.

Business Model and Value Chain
Our operations rely on a range of interdependent inputs that form the foundation of our value chain.

A. Inputs

- **Financial Capital:** We secure funding through multiple channels, including shareholder investments, customer deposits, and financial instruments such as bonds and credit facilities.

- **Technological Infrastructure:** Our digital banking platforms facilitate seamless transactions, reducing reliance on physical branches while enhancing convenience and financial inclusion. We invest significantly in cybersecurity to protect our systems and customer data. Additionally, our digital tools, cybersecurity frameworks, and data analytics enhance service quality and risk management.

- **Human Capital:** Our success is driven by a team of skilled professionals, from strategic leaders shaping our vision to frontline staff delivering exceptional customer service.

B. Outputs

- **Financial Products:** Our financial products are designed to meet the diverse needs of individuals, businesses, and institutions. These include loans, investment solutions, credit facilities, and green financing instruments tailored to support sustainable economic activities.

- **Sustainability Commitments:** Sustainability is critical to our operations. We actively support projects that promote sustainability, biodiversity conservation, climate resilience, and ESG (Environmental, Social, and Governance) compliance.

- **Social Impact Contributions:** We are dedicated to fostering economic inclusion and community development. Our capacity-building programs equip individuals and businesses with the skills needed to thrive in an evolving economy. Additionally, we offer financial literacy initiatives and community development projects to support economic inclusion.

C. Upstream Value Chain

- **Suppliers:** Our suppliers encompass providers of office infrastructure, energy, IT hardware, and other essential operational resources.

- **Technology and IT Service Providers:** This includes suppliers of banking software, cloud services, and cybersecurity solutions.

Downstream Value Chain

- **Customers:** Our customers span both the retail and corporate divisions, including individuals, SMEs, and large enterprises that utilize our banking and financial solutions.

- **End-users:** Our end-users include beneficiaries and consumers across various programs, such as financial inclusion initiatives, green financing, and social impact projects aimed at fostering economic resilience and environmental sustainability.

- **Interests and Views of Stakeholders**
  Employees, Customers, Communities, Investors, and Suppliers represent our key stakeholders, the table below is a summary of how we engage our stakeholders, including the method of integrating their opinions into our business operations.

Table 11: Our Stakeholder Feedback Integration

S/N	Stakeholder	Stakeholder interests and purpose of engagement	Method of engaging	Feedback Integration
1	Employees	Create a conducive workplace for all employees to thrive equally	Policies, surveys, meetings, polls, grievance mechanisms channels, trainings and emails	Policy updates
2	Customers	Ensure that our goods and services are in tandem with their needs and their data is well protected	Customer experience platforms and surveys	Strategy and business model update
3	Communities	Provide means to cushion the effect of our business operations on the livelihood and wellbeing of people within host communities and develop these communities	Surveys, townhall meetings	Sustainability initiatives and programmes
4	Investors	Equip them with accurate information about our business, financial and sustainability performance	Investor presentations, annual reports and other publications	Strategy and business model update
5	Suppliers	Furnish them with our sustainability strategy, goals and priorities	Policies/code of conduct, trainings, survey and feedback platforms	Policy updates

Material Impacts, Risks and Opportunities

We conducted a double materiality assessment, where we identified various material impacts, risks and opportunities (IROs) across our value chain. As a bank, we extended this assessment beyond our operations and considered financing activities.

Our DMA results show that all 10 ESRS topics are material to our operations. We completed this assessment using potential impacts and anticipated financial effects. Form our assessment the following areas were deemed material to Fidelity Bank's operations.

E1 - Climate change
- Energy
- Climate change adaptation
- Climate change mitigation

E2 - Pollution
- Pollution of air

E3 - Water and marine resources
- Water & effluent
- Water consumption
- Water withdrawals

E4 - Biodiversity and ecosystems

E5 - Circular economy
- Resource inflow
- Resource outflow
- Waste

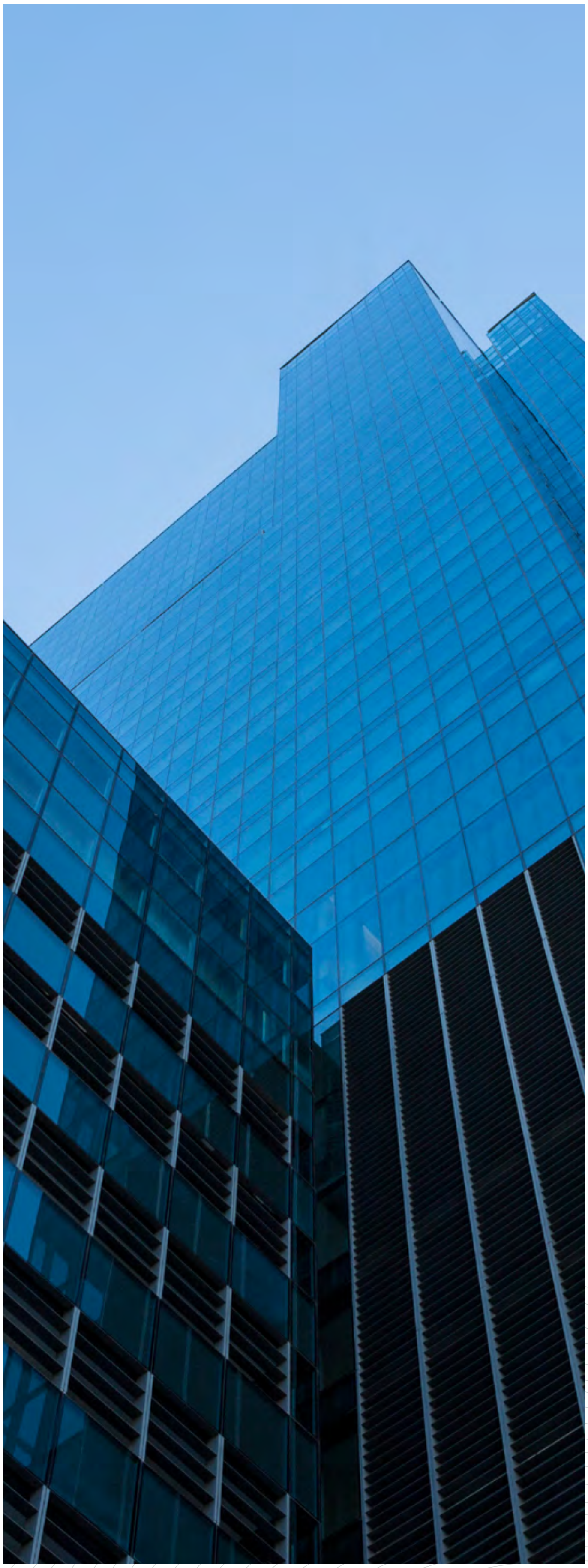
S1- Own workforce
- Stakeholder engagement
- Occupational health and safety
- Training and education
- Diversity and equal opportunities
- Human rights

S2- Workers in the value chain
- Occupational health and safety
- Human rights
- Training and skill development

S3- Affected communities
- Local communities
- Stakeholder engagement
- Human rights (political, indigenous people and civil)

S4- Consumers and end-users

G1 - Business conduct
- Economic performance
- Market presence
- Indirect economic impact
- Ant-corruption
- Tax
- Procurement policies



EU Taxonomy

Fidelity Bank is committed to voluntarily aligning its operations and reporting with the EU Taxonomy for Sustainable Activities, a science-based classification system for environmentally sustainable economic activities. This reflects our dedication to global best practices and the principles of the ESRS. We will strive to transparently report our progress, including detailed information on our CAPEX and OPEX alignment with the Taxonomy. We are committed to continuously improving our disclosures on EU Taxonomy alignment as our methodologies and data mature.

Currently, we understand that performing the EU taxonomy in line with it six environmental objectives require a significant amount of data that must be screened. For this reporting year, we will report 0% alignment of our CAPEX and OPEX of our activities in line with EU taxonomy. Below we highlight key activities that have already been implemented or are currently being implemented, as we strive to attain full alignment with the EU Taxonomy.

Table 12: EU Taxonomy Categorization

S/N	Activity	Scope/Cost	EU Taxonomy Categorization
1	Replacement of traditional lighting fixtures with energy-saving LED lights during	251 branches bank wide	Climate change mitigation
2	Optimisation of Air Conditioning systems from regular to Inverter ACs	160 branches, 66.7% reduction in Air Conditioning (HVAC) energy consumption	Climate change mitigation
3	Changes / Special Tariff contracts to improve reliability on National Grid with a view to reducing the use of diesel-powered generated	Average of 50% diesel reduction from branches that currently run on mini hybrid solution and on Band A energy category while 51% reduction from Head Office sequel to the dedicated priority feeder that was recently implemented.	Climate change mitigation
4	Installations of renewable energy generation capacity, such as solar panels	Clean electricity generating capacity in 893.2 kWh in 42 branches	Climate change adaptation
5	Employee Engagement and Training	₦172m on Developing and delivering a dedicated sustainability training program to 447 employees, covering topics such as energy conservation, waste reduction, and sustainable procurement.	Climate change adaptation
6	Waste Management and Recycling	₦3,872,024 to optimise our waste management and recycling programs.	Pollution prevention and control

3.1.4. Impact, risk and opportunity management

IRO-1, IRO-2

Double Materiality Assessment Methodology

For step 2 in the figure above, we assigned sub-rankings for potential positive and negative impact

1. Understand
We took into consideration our operations, activities and operations to select potential materials areas from ESRS topics.

2. Develop
Impact pathways were created based on the identified potential topics in step 1. We then compiled the impacts, risks and opportunities (IRO) for the topics

3. Assess
Using IROs from step 2, conducted an assessment for out internal and external stakeholders

4. Compiled and Prioritize
Using IROs from step 2, conducted an assessment for out internal and external stakeholders

Figure 1: Summary of Double Materiality Approach

in the Impact Materiality assessment. For Financial Materiality, we used magnitude and likelihood as sub-rankings. All rankings followed a 1-5 scale, where 1 represents the least impact and 5 represents the most.

Potential Positive Impact rankings were based on scale, scope, and likelihood.

Potential Negative Impact rankings considered scale, scope, the irremediable nature of the impact, and likelihood.

To ensure a structured approach, we first conducted an internal materiality assessment session to explain the process and the importance of participation. We then deployed questionnaires and guides for both internal and external stakeholders. Once responses were collected, we analyzed and normalized the data to determine scores for each material topic. Finally, we established a threshold of 2.5 to identify material topics.

3.2 Environmental

This section of our sustainability report details Fidelity Bank's commitment to environmental stewardship and a sustainable future in accordance with the European Sustainability Reporting Standards (ESRS). We proactively address climate change through a strategic focus on climate mitigation and adaptation, resource efficiency, and pollution control.

Our approach aligns with the EU Taxonomy and IFRS S1 and S2 standards, ensuring informed decision-making and transparent reporting. We are dedicated to supporting our clients as we collectively transition to a low-carbon economy in Nigeria.

3.2.1. Climate change (E1)

ESRS 2 SBM-3, IRO-1

Sustainability considerations are reflected in our management body's incentive schemes. A climate scenario analysis and climate stress testing were conducted to evaluate the resilience of our strategy and business model. The comprehensive process of our scenario analysis and resilience testing is documented in our Climate Scenario Analysis Report. Additional insights are available in our sustainability and climate-related documentation.

Transition Plan for Climate Change Mitigation (ESRS E1 -1)

Fidelity Bank recognizes the urgency of the global climate crisis and the critical role of financial institutions in driving sustainable solutions. Our commitment to climate action is deeply embedded in our core values and business practices, and we are dedicated to aligning with the goals of the Paris Agreement. This transition plan outlines our strategic approach to reducing greenhouse gas emissions and contributing to a low-carbon and climate-resilient future.

To achieve this ambitious goal, we are taking a comprehensive approach to climate action, encompassing all aspects of our business, from strategic decision-making to financial product development. This means integrating climate considerations into all our lending, investment, and risk management activities, ensuring alignment with global climate goals. We are committed to significantly increasing our financial support for climate-related initiatives, using tools like carbon pricing and climate risk assessments to guide our investments strategically. Furthermore, we are developing innovative financial strategies and collaborating with stakeholders across the industry to accelerate the pace of climate action.

Promoting sustainable finance is a core element of this comprehensive strategy. We are actively allocating capital to projects that support the transition to a low-carbon economy and enhance climate resilience. This includes collaborating with customers and partners to develop new financial products that drive positive environmental and social impact.

Transparency and Accountability are paramount to maintaining trust and ensuring the effectiveness of our efforts. We are committed to regularly disclosing our carbon footprint, climate-related risks and opportunities, and progress towards our climate targets. We believe that open communication fosters informed decision-making among our stakeholders and enables them to hold us accountable.

Understanding that climate change necessitates a comprehensive response, we are taking a leadership role by engaging with governments, regulators, civil society, and the private sector to share knowledge, promote best practices, and champion policies for a low-carbon, climate-resilient future.

Table 13: Key Elements of Our Transition Plan

Area of Focus	Commitment	Actions	Timeline
Integrating Climate Considerations	Integrate climate considerations into all decision-making processes.	* Incorporate climate factors into lending, investment, risk management, and strategic planning. * Align activities with global climate goals and promote responsible decision-making.	Ongoing
Financial Flows for Climate Initiatives	Channel significant financial flows to climate-related initiatives.	* Develop sector-specific policies and assessment tools (carbon pricing, carbon footprint analysis, climate risk assessment). * Ensure investments contribute to meaningful climate action.	Ongoing
Developing Innovative Financial Strategies	Develop creative and scalable financial strategies for climate action.	* Collaborate with peers to standardize approaches, tools, and methodologies. * Enhance the effectiveness and impact of climate-related initiatives.	Ongoing
Promoting Sustainable Finance	Promote sustainable finance by allocating capital to projects and initiatives that support the low-carbon transition and climate resilience.	* Work closely with customers and strategic partners to develop innovative financial products. * Drive positive environmental and social impact.	Ongoing
Transparency and Accountability	Maintain transparency and accountability in climate-related initiatives.	* Regularly disclose relevant climate-related information (carbon footprint, climate-related risks and opportunities, progress towards targets). * Foster trust and informed decision-making among stakeholders.	Ongoing
Collaboration and Engagement	Actively engage with diverse stakeholders to address climate change collaboratively.	* Engage with governments, regulators, civil society, and the private sector. * Exchange knowledge, share best practices, and advocate for policies that support the transition to a low-carbon and climate-resilient	Ongoing

Addressing Climate-Related Challenges

While we remain committed to our climate goals, we recognize the challenges that may impact our progress. One key hurdle is accessing comprehensive and reliable climate-related data, particularly for our lending and investment portfolios. To address this, we are enhancing our data collection and management processes to improve transparency and decision-making.

The regulatory landscape for climate-related disclosures and sustainable finance is also evolving rapidly. To ensure compliance and stay ahead of these changes, we continuously monitor regulatory developments and adapt our strategies accordingly.

Additionally, building internal expertise on climate-related risks and opportunities is essential for effective implementation. Aligned with our overarching theme—Looking Beyond the Now—we are investing in training and development programs to strengthen our employees' knowledge and skills in this area. We are also committed to ongoing engagement and collaboration, fostering a shared understanding and driving collective action toward a more sustainable future.

ESRS 2 SBM-3

3.2.1.1. Policies

E1-2 Policies related to climate change mitigation and adaptation.

To redress the profound threat of climate change and its potential to disrupt economies, societies, and ecosystems, we are taking proactive steps to mitigate our impact and adapt to a changing world. To guide our efforts, we have established formal policies that align with global sustainability goals while safeguarding our business and stakeholders. These policies form the foundation of our climate action strategy, ensuring we actively reduce our environmental footprint and enhance resilience to climate-related risks.

Our climate policies and framework focus on the following key areas:

- **Climate change mitigation:** We have updated our lending policies to prioritize investments in projects that reduce emissions and enhance carbon sequestration. This includes renewable energy projects, energy efficiency improvements, waste management and recycling, sustainable agriculture, and afforestation initiatives.

- **Climate change adaptation:** Our climate action framework supports financing for climate-resilient infrastructure, climate-smart agricultural practices, coastal ecosystem protection, and initiatives that strengthen resilience in vulnerable communities.

- **Energy efficiency:** Internally, we are committed to improving energy efficiency across all aspects of our operations. In the 2024 financial year, we conducted a comprehensive review of our energy consumption and implemented energy-efficient measures. The resulting energy efficiency targets are detailed in the IFRS section of this report.

- **Renewable energy deployment:** As part of our green finance initiatives, we are actively investing in green loans, and financing for renewable energy and recycling projects. Our lending practices have been aligned to support these areas, reinforcing our commitment to sustainable development.

3.2.1.2. Actions

Emission Reduction Targets

As part of our commitment to climate action, we are actively working to reduce greenhouse gas emissions across our loan portfolio. Our strategy focuses on decreasing financing for carbon-intensive sectors while expanding support for green projects, including renewable energy, energy efficiency, and climate-smart agriculture.

To ensure transparency in measuring and reporting emissions, we are guided by the Partnership for Carbon Accounting Financials (PCAF) methodology. We strive for a 33.6% reduction in carbon emissions from our operations by 2028, using 2023 as the baseline, and are committed to achieving net-zero emissions across our operations and portfolio by 2050. Carbon credits will be utilized to support long-term emission reduction efforts in line with this goal.

Financing the Transition

We are committed to driving sustainable economic development and facilitating the transition to a low-carbon economy. Our approach includes major green financing initiatives, investments in early-stage environmental-focused companies, and the continuous expansion of our green finance portfolio.

To further accelerate this transition, we are actively developing green financial products, including green loans and other sustainable finance instruments. Our green finance framework aligns with the ICMA/ LMA Green Bond Principles, ensuring that funds are effectively directed toward eligible green assets, reinforcing our commitment to a more sustainable future.

3.2.1.3. Metrics and Targets

E1 -4 Targets related to climate change mitigation and adaptation.

Setting Targets to Achieve Net-Zero Emissions.
Aligned with the goals of the Paris Agreement, we are committed to progressively reducing our greenhouse gas (GHG) emissions and achieving net-zero emissions by 2050. To ensure transparency, we measure and report both direct and indirect emissions associated with our operations and financing activities guided by the GHG Protocol and the PCAF methodology.

To set ambitious yet achievable targets, we have adopted the Science Based Targets initiative (SBTi) methodology, utilizing a 1.5˚C scenario and an absolute contraction approach. Based on this framework, we aim to reduce our operational carbon emissions by 33.6% by 2028, using 2023 as the baseline year. Additionally, we are committed to achieving net-zero emissions across all operations and our portfolio by 2050.

In line with the GHG Protocol, we classify and quantify our emissions as follows:

- **Scope 1:** Direct emissions from sources owned or controlled by the Bank, including fuel combustion from generators and company-owned vehicles.
- **Scope 2:** Indirect emissions from the consumption of purchased electricity, such as emissions generated by the national grid supplying our offices and branches.
- **Scope 3:** All other indirect emissions throughout our value chain, including business travel, employee commuting, waste management, financed emissions from loans and investments.

Further details on our methodology and current targets are outlined in the section “GHG Emissions. Methodology and Approach (IFRS section).”

E1 -5 Energy consumption and mix

During the reporting period, our energy consumption comprised both fossil-based and renewable sources. Fossil energy was primarily used through diesel generators, and national grid electricity, while renewable sources included solar power, inverter and battery storage.

We consumed a total of 3,605,228 litres of diesel, representing a reduction from 4,617,144.93 litres in the 2023 financial year, across our operational locations. Additionally, our consumption of electricity from the national grid amounted to 5,486,200Kwh, a decrease from 5,743,333.40 KWh in 2023. This energy mix reflects our ongoing efforts to manage energy use efficiently and transition towards a more sustainable portfolio through the integration of renewable energy technologies.

E1-6 – Gross Scopes 1,2, 3 and Total GHG emissions

Table 14: Total Emissions

Scope	Sources	Activity Data (2023)	Activity Data (2024)	Unit	2023 Emission (tCO2e)	2023 Total Emission (tCO2e)	2024 Emission	2024 Total Emission (tCO2e)
Scope 1	Diesel Generator (DG) Sets	4,617,144.93	3,605,228.00	Litres	12,435.00	15,749.00	9,709.50	12,289.60
	Company owned vehicles	1,376,125.80	1,071,295.86	Litres	3,314.00		2,580.10	
Scope 2	Grid electricity purchase	5,743,333.40	5,486,200.00	kWh	3,228.00	3,228.00	3,083.24	3,083.24
Scope 3	Paper Consumed	96,253.95	87,806.70	Kg	764.00	5,925.50	697.00	6,708.60
	Business travel (Air)	1,357,454.78	2,210,051.62	Miles	1,260.00		2,050.80	
	Waste Generation &Disposal	80,938.29	169,446.00	Kg	37.00		77.60	
	Staff Commuting	2,051,573.93	2,051,573.93	Pass-Km	683.00		683.00	
		10,834,372.36	10,834,372.36	Veh-Km	3,181.00		3,181.00	
	Water Purchased	1,323,635.00	55,807,086.00	Litres	0.50		19.20	
	Financed Emission					682,299.78		4,606,362.05

E1-7: GHG Removals and mitigation projects financed

Fidelity Bank acknowledges the critical role of greenhouse gas (GHG) removals in combating climate change and actively seeks to finance projects that support carbon sequestration and emissions reduction. Our key areas of focus include:

- **Investing in Renewable Energy Projects:** We prioritize financing renewable energy projects, such as solar energy systems, which directly contribute to reducing GHG emissions and promoting the transition to a low-carbon energy system.
- **Supporting Energy Efficiency Initiatives:** We actively finance energy efficiency projects across various sectors, helping businesses and individuals reduce their energy consumption and associated emissions.
- **Financing Sustainable Land Use and Forestry:** We are committed to supporting sustainable land use and forestry practices, including afforestation and reforestation projects, which enhance carbon sequestration and promote biodiversity.
- **Investing in Carbon Capture and Storage Technologies:** We are exploring opportunities to invest in innovative carbon capture and storage technologies that can remove carbon dioxide from the atmosphere and permanently store it.

We are dedicated to increasing our financing of GHG removal and mitigation projects, contributing to global efforts to achieve net-zero emissions and mitigate the impacts of climate change.

E1-8: Internal Carbon Pricing

Fidelity Bank is actively exploring the implementation of an internal carbon price as a tool to guide our investment and lending decisions. This involves:

- **Assessing Carbon Risks:** We will utilize internal carbon pricing to assess the carbon risks associated with our lending and investment portfolio, identifying high-carbon activities and potential financial impacts.
- **Shifting Capital to Low-Carbon Activities:** Internal carbon pricing will help us prioritize investments in low-carbon technologies and projects, supporting the transition to a low-carbon economy.
- **Incentivizing Emission Reductions:** By incorporating carbon costs into our decision-making, we can incentivize emission reductions among our clients and encourage the adoption of sustainable practices.
- **Enhancing Climate Resilience:** Internal carbon pricing will contribute to enhancing the climate resilience of our portfolio by promoting investments in climate-smart solutions and adaptation measures.

We are committed to developing a robust internal carbon pricing mechanism that aligns with our climate goals and contributes to achieving a sustainable future.

3.2.2. Pollution (E2)

ESRS 2 IRO-1

Our Double Materiality Assessment (DMA) has identified two key pollution-related impacts—one positive and one negative. Below, we outline these impacts along with their associated risks and opportunities.

Potential Positive Impact and corresponding opportunity: Fidelity Bank supports clean-up projects that help reduce pollution, leading to improved air quality, better public health, and a healthier ecosystem. By investing in these initiatives, we also contribute to the advancement of pollution control technologies, encouraging sustainable and environmentally responsible business practices.

Potential Negative Impact and corresponding risk: The Bank's operations generate pollutants, including greenhouse gas emissions from generators, which can negatively affect air quality, ecosystems, and human and animal health. These environmental impacts expose the Bank to regulatory penalties for non-compliance with environmental laws and potential reputational risks.

We are building on our existing understanding of our sites and activities by reviewing their current and potential pollution-related impacts, risks, and opportunities for improvement.

3.2.2.1. Policies

E2-1 – Policies related to pollution

As part of our sustainability commitment, we have integrated pollution control measures into several policies that guide our operations. For instance, our Environment and Social Risk Management (ESRM) Policy provides a structured approach to identifying, assessing, managing, and monitoring environmental and social risks within our value chain. It aligns with our broader sustainability strategy to minimize our environmental and social footprint while addressing climate-related risks and opportunities.

In our bid to promote sustainable operations, we identified certain sectors (oil and gas, power, agriculture, and cement) that require enhanced due diligence before financing projects due to the negative impacts of their operations on the environment. We highlighted measures for pollution prevention, such as assessing the impact of water pollution, minimizing gas flaring, managing risks related to pesticides, etc. There are pollution prevention methods outlined in our ESRM policy for each sector to aid pollution mitigation and control. The table below is a summary of the current prevention/mitigation considerations that have been integrated into our lending practices. The sectors highlighted are not exhaustive, as these measures are applied across other sectors as well.

Table 15: Pollution Prevention considerations integrated into Fidelity's lending policies

S/N	Sector	Pollution Prevention considerations integrated into Fidelity's lending policies
1	**Oil and gas**	• Minimize gas flaring • Impact of water pollution on local communities and environment • Reduction of greenhouse gas emissions from both upstream and downstream operations
2	**Power**	• Support initiatives that reduce greenhouse gas emissions from power production
3	**Agriculture**	• Water pollution issues and their effect on communities and the environment • Managing risk related to pesticide application • Agricultural practices that minimize greenhouse gas emissions
4	**Cement**	• Emissions and dust control to mitigate air pollution and its impact on surrounding communities and the environment • Use of alternative fuels and raw materials to reduce carbon footprint • Energy-efficient practices to enhance resource conservation

Our Procurement Policy highlights some procured items that promote sustainable practice and reduce pollution, such as our low emission generators with soundproof canopy to reduce noise pollution, consumer electronics that are inverter friendly, thereby reducing the pressure on and use of diesel generators.

3.2.2.2. Actions

E2-2 – Actions and resources related to pollution

In 2023, Fidelity Bank implemented several projects focused on environmental sustainability. Some of these projects were done to address plastic pollution, these projects included donating recycling bins to schools, participating in advocacy events like Lagos State Walk for Nature to combat plastic pollution and upgrading public gardens to promote green spaces and environmental awareness.

In 2024, we focused on key initiatives to enhance our pollution prevention and control measures:

- **Waste Management and Recycling:** We invested ₦3,872,023 to optimize our waste management and recycling programs, aiming to reduce waste generation and increase resource recovery. These programs included:
  - Implementing a comprehensive waste segregation and recycling program across all our branches and offices, ensuring proper sorting and disposal of waste materials.
  - Partnering with certified recycling companies to ensure responsible and environmentally sound recycling of collected materials.
  - Introducing initiatives to reduce single-use plastics and promote the use of reusable alternatives in our offices and branches.
  - Conducting awareness campaigns to educate employees on proper waste disposal practices and the importance of waste reduction and recycling.
  - We also invest in inverter-friendly consumer electronics in our offices to reduce our dependence on diesel generators, thereby reducing our emissions and evidently, air pollution.

Waste Management

- **Sustainable Procurement:** We embedded sustainable procurement practices into our operations, recognizing the significant impact of our purchasing decisions on the environment. These practices were centered around the following:
  - Developing and implementing a Sustainable Procurement Policy that outlines our commitment to sourcing environmentally friendly products and services.
  - Integrating environmental criteria into our supplier selection process, prioritizing suppliers with strong environmental performance and certifications.
  - Engaging with our suppliers to promote sustainable practices throughout our supply chain,

encouraging them to adopt environmentally responsible manufacturing processes and reduce their environmental footprint.

- **Environmental Risk Assessments:** We conducted Environmental Risk Assessments for major projects and initiatives undertaken during the year. These assessments helped us identify and mitigate potential environmental risks associated with our activities. These included:
  - Assessing the potential impacts of new branch construction or renovation projects on air quality, water resources, and biodiversity.
  - Evaluating the environmental footprint of our IT infrastructure upgrades and implementing measures to minimize energy consumption and e-waste generation.
  - Analyzing the environmental implications of our lending and investment activities, particularly in sectors with significant environmental impacts.

These initiatives demonstrate our commitment to pollution prevention and control. We will continue to refine our practices, track our performance, and transparently report on our progress in minimizing our environmental impact.

CAPEX: Pollution Prevention and Control
Air Quality Improvement: We are committed to investing in technologies and initiatives that reduce air pollution from our operations, including exploring options such as air filtration systems and low-emission vehicles. We also support projects aimed at improving air quality, such as renewable energy initiatives. Wastewater Management: We are dedicated to miminizing water pollution and protecting water resources.

Going forward, the Bank will continue to uphold practices that safeguard the environment and proactively contribute to environmental betterment. In line with this commitment, we will strengthen our efforts through risk assessments and mitigation measures to avoid, reduce, and restore areas affected by pollution resulting from projects we finance.

3.2.2.3. Metrics and Targets

E2-3 – Targets related to pollution

At Fidelity, we believe it is imperative that we incorporate key performance indicators and targets of the entire business into our sustainability strategy. This helps us consistently track, measure, and report on our sustainability goals.

In our Sustainability Strategy, we detailed our aim to reduce our greenhouse gas emissions by 33.6% by 2028 against our 2023 baseline. This will be achieved by reducing our operational emissions by a minimum of 6.7% annually. To this effect, we developed a decarbonization strategy aligned with Science Based Targets initiative (SBTi)

As an ethical company, we will continue to work transparently towards our goal of being net zero in all our operations by 2050 by aligning our targets with sustainability goals and ensuring that our targets are cascaded throughout our value chain. Monitoring systems such as the Sustainable Banking Management System portal will track our progress, and we will report regularly to ensure transparency.

E2-4 – Pollution of air

At Fidelity Bank, we recognize that some of our operations and financed activities contribute to the emission of various pollutants. We strive to align our reporting with the twelve main pollutants defined by the EU and are continuously advancing our efforts in this area. We remain committed to proactively identifying, assessing, and measuring pollutants generated from both our operations and those we finance, demonstrating our dedication to managing and reducing our environmental impact.

E2-5 – Substances of concern and substances of very high concern

Regular environmental audits of the bank's facilities are conducted in compliance with NESREA regulations. These audits take place every three years and are performed by accredited NESREA consultants. These audits comprehensively identify pollution sources and types within our operations. Upon NESREA's approval of the Environmental Audit Report (EAR), we obtain certification confirming our adherence to environmental standards. Furthermore, as part of our due diligence process for Category A and select Category B financing transactions, we thoroughly review environmental documentation, including

Environmental Audit Reports, Environmental and Social Impact Assessments (ESIA), Environmental Management Reviews, or Environmental Impact Assessments (EIA), depending on project requirements. We are committed to systematically assessing and monitoring substances of concern, including substances of very high concern, and are actively working towards enhancing our capacity to provide specific pollution-related data in future reporting cycles.

E2-6 – Anticipated financial effects from material pollution-related risks and opportunities

Pollution-related impacts, risks, and opportunities can influence our financial performance and position, particularly through the activities we finance and our operational practices. While we are in the process of developing more detailed metrics on the share of revenue linked to products and services that involve substances of concern or substances of very high concern, we acknowledge the importance of transparency in this area and are working towards enhancing our future disclosures. Within our own operations, we continue to prioritize environmental responsibility. In 2024, we invested ₦3,874,024 in waste management and recycling initiatives, aimed at supporting pollution prevention and promoting resource efficiency across our facilities. Although, we have not incurred any environmental incidents, we remain attentive to pollution-related risks. We continue to maintain appropriate measures that ensure compliance with applicable environmental regulations and support responsible environmental management throughout our operations and financing activities.

3.2.3. Water and marine resources (E3)

ESRS 2 IRO-1

As part of our Double Materiality Assessment (DMA), we identified both potential positive and negative impacts related to water and marine resources, along with the corresponding risks and opportunities these impacts present for the Bank and our stakeholders.

Potential positive impact and corresponding anticipated opportunity: Fidelity Bank supports water-related initiatives through Corporate Social Responsibility (CSR) programmes, most notably the Fidelity Helping Hands Project- a staff-led initiative that enables employees to give back to society. Through this platform, we have implemented efficient water management and clean water access projects in underserved communities. In addition, we have participated in ocean clean-up efforts in collaboration with industry peers, contributing to the protection and restorations of marine ecosystems. We also finance water infrastructure projects that promote access to safe water and improve efficiency. These actions present opportunities to expand our financing portfolio in clean water, water-saving technologies, and marine conservation projects. This supports environmental resilience in water-stressed regions while opening new avenues for sustainable finance and community impact.

Potential negative impact and corresponding risk: In some of the locations where we operate, water scarcity and stress remain significant challenges. These issues may affect both our branch operations and the performance of water-dependent projects we finance, especially in sectors such as agriculture and manufacturing. Limited access to water can result in increased operational costs and potential credit risks. At the same time, these challenges create opportunities to support investments that promote water conservation, adaptive infrastructure, and efficient water management, helping mitigate risks while contributing to long-term resilience.

We are actively progressing in the identification and categorization of water sources associated with our operations and financed activities and remain committed to comprehensive assessment to strengthen our future disclosures. This includes understanding our interaction with various water sources such as surface water (rivers, lakes, transitional waters, coastal waters), groundwater, protected aquatic ecosystems, in alignment with ESRS E3 requirements.

3.2.3.1. Policies

E3-1 – Policies related to water and marine resources

As a forward-thinking organisation, we ensure that our value chain operations do not negatively impact water and marine resources. Various sustainability and climate-related policies outline our approach to sustainable water sourcing, consumption, withdrawal, and disposal, as well as the prevention, mitigation, and remediation of water pollution from both our operations and financed projects. These policies articulate our strategies for managing water-related issues and preserving marine resources, emphasizing our commitment to promoting the sustainable use of water consumption, and these considerations have informed our policy development. Our approach covers water management within our operations and financed projects but remains integrated within broader policy frameworks. We do not have standalone policies addressing sustainable seas, oceans, or high-water stress areas at this time.

3.2.3.2. Actions

E3-2 – Actions and resources related to water and marine resources

Fidelity Bank recognizes the critical importance of responsible water management and its connection to protecting marine resources. While our direct operations have limited impact on marine ecosystems, we integrate these considerations into our lending and investment activities, particularly in coastal regions like the Niger Delta and water-stressed areas. This approach aligns with the ESRS E3 framework, emphasizing the importance of sustainable water and marine resource management.

In line with our dedication to responsible water stewardship, Fidelity Bank has sponsored water projects, including those at Federal Government Girls College, Owerri; Nnokwa community in Anambra State; and Eyosung community in Akwa Ibom State. These projects aim to improve water efficiency, reduce contamination risks, and promote sustainable water management across our operations and investments.

Our primary interaction with water resources involves withdrawing water from onsite boreholes for sanitary purposes and sourcing drinking water from reputable treatment companies. We carefully manage our water usage and wastewater in line with environmental regulatory requirements to ensure minimal impact on local aquifers and prevent any harm to the environment.

We are committed to reducing water wastage and achieving zero discharge of untreated waste into water bodies, which will help protect the environment and ensure sustainable water resources for future generations.

Sustainable Use and Protection of Water and Marine Resources

- **Water Recycling and Treatment:** As part of our commitment to environmental sustainability, we actively encourage our clients to adopt responsible water management practices. Through our lending activities, we support projects that integrate water recycling and treatment initiatives aimed at reducing overall water consumption and minimizing pollution.
- **Sustainable Water Management in Financed** Projects: Our financing also extends to projects that promote the sustainable use of water resources, particularly in sectors such as agriculture. This includes the adoption of rainwater harvesting systems and efficient irrigation technologies designed to optimize water use. These efforts contribute to the preservation of vital water resources, strengthen climate resilience in communities, and foster environmentally responsible agricultural practices.
- **Water Conservation in our Operations:** We implemented a comprehensive water conservation program across our branches and offices, aiming to reduce water consumption and promote responsible water use. This included:
  - Conducting regular leak detection and repair programs to minimise water wastage.
  - Raising awareness among our employees about water conservation through educational campaigns and initiatives.

Our water management strategy focuses on ensuring that our water is sourced sustainably to minimise any negative impact on local water resources. We also implement measures to reduce water consumption and promote efficient use across our operations. Finally, we ensure that all wastewater is disposed of in compliance with all relevant environmental regulations.

While our direct impact on marine ecosystems is limited, we recognise the importance of protecting these valuable resources. We consider the potential impacts on marine biodiversity and ecosystems when making lending and investment decisions, particularly in coastal regions. This includes assessing the potential risks of pollution, habitat destruction, and overfishing associated with projects we finance.

To further show our commitment to water conservation and marine resource preservation, we communicate the policies on, actions and resources allocated toward sustainable water and marine resources management through our sustainability and annual reports, news stories, emails, social media posts, and press releases.

Our investment portfolio highlights investment in water-efficient initiatives, such as water management, recycling, and reduced contamination which benefits host communities, especially in water-stressed regions. By embedding responsible water management practices into our business model, we reinforce our dedication to sustainable finance and environmental responsibility.

3.2.3.3. Metrics and Targets

E3-3 – Targets related to water and marine resources

We address water use as part of our broader goal to reduce our carbon footprint across Scope 1, 2, and 3 emissions, with water-related impacts falling within Scope 3. We promote sustainable practices through our lending activities and internal operations, in line with our sustainability strategy. These efforts reflect our commitment to responsible resource management and contribute to our resilience to climate change impacts. All actions taken are voluntary and aimed at enhancing long-term environmental sustainability.

E3-4 – Water consumption

Water and Effluent

The Bank's investment in efficient water management, water recycling, and reduced contamination benefits host communities. Through water efficient technologies and financing and support for water-related projects, we improve water management especially in vulnerable areas. We also ensure that effluents in our operational areas are disposed of by licensed vendors. Through this practice, we reduce contaminations, prioritizing environmental responsibility.

Fidelity Bank has adopted water meters across our facilities to monitor usage and promptly identify any significant leaks. By tracking average daily and weekly water consumption, we can detect any unusual increases and investigate potential leaks, thereby minimizing wastage.
With these meters in place, we can closely monitor water usage, identify unusual consumption patterns and take necessary actions.
In 2024, our total water consumption was 55,807,086 litres.

We educate our staff on the proper use of water facilities, emphasizing the importance of turning off taps to prevent leaks and wastage. Our sustainable banking management system collects data on various environmental metrics, including diesel, electricity, and water consumption. This data is compiled into monthly reports for the Executive Director, quarterly reports for the board, biannual reports for the Central Bank of Nigeria (CBN), and our annual sustainability report. We have also initiated a phased deployment of sensor taps, starting with our head office and gradually expanding to regional offices and all other facilities.

At Fidelity, we are committed to promoting sustainable water use and providing clean water to underserved areas. This is seen in the solar-powered borehole commissioned by our Risk Management directorate Eyosung community in Akwa Ibom State. This project, funded by staff donations matched by the bank, provided access to clean drinking water for the community.

We communicate the bank's water consumption metrics to stakeholders through our sustainability and annual reports.

Through our CSR initiatives, we donated water bottles to schools in disadvantaged regions. We finance and support projects aimed at improving water and sanitation services, particularly in underserved areas. This includes collaborating with organisations dedicated to establishing clean water infrastructure and enhancing hygiene practices in vulnerable communities.

We ensure that effluents in our operational areas are disposed by licensed vendors. By adhering to this practice, we prioritize environmental responsibility and contribute to reducing the environmental impact of our operations.

Our primary interaction with water resources involves withdrawing water from onsite boreholes for sanitary purposes and sourcing drinking water from reputable treatment companies. We carefully manage our water usage and wastewater in line with environmental regulatory requirements to ensure minimal impact on local aquifers and prevent harm to the environment.

3.2.4. Biodiversity and ecosystems (E4)

In recognition of the vital role that healthy ecosystems and robust biodiversity play in mitigating climate change, we are committed to integrating biodiversity considerations into our operations and decision-making processes. While our direct operational impact on biodiversity may be limited, we acknowledge the potential indirect effects of our lending and investment activities. We have the understanding at Fidelity Bank that to foster a resilient and nature-positive future, we must adopt a holistic approach to environmental stewardship. Biodiversity is crucial for a thriving ecosystem and is key to maintaining ecological balance and long-term prosperity. As a financial institution dedicated to sustainability, we understand the interdependence of biodiversity with ecosystem health, and economic resilience. In line with our sustainability strategy, we have intensified our efforts to identify, assess, and mitigate biodiversity-related risks while leveraging opportunities to drive positive environmental impact.

Our approach goes beyond compliance, we integrate nature-based solutions into our business model and investment strategies through targeted policies, strategic partnerships, and responsible financing, we support projects that enhance habitat restoration, reforestation, and sustainable land use. In 2024, we deepened our commitment to biodiversity conservation by actively engaging with stakeholders across our value chain to promote ecosystem protection and responsible resource use. At Fidelity Bank, we remain committed to contributing to a sustainable and regenerative economy that benefits both people and the planet. This section details our comprehensive approach to biodiversity and ecosystem management, aligned with the ESRS E4 framework.

E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

We fully understand the role of biodiversity and ecosystem conservation in achieving long-term environmental and financial sustainability.
We recognize the critical importance of preserving natural habitats for sustainable development across our operations in Nigeria. Our transition plan includes adopting sustainable practices, promoting green finance, and supporting projects that restore and protect biodiversity.

Our comprehensive biodiversity strategy focuses on four key areas:

- Assessing and managing the potential impacts of our lending and investment activities: This includes identifying projects with potential impacts on biodiversity hotspots, protected areas, or endangered species, assessing project impacts on ecosystem services, and requiring biodiversity management plans from clients where appropriate.

- Supporting projects that contribute to biodiversity conservation and ecosystem restoration: We actively support projects that promote sustainable agriculture and forestry, protected area management, and ecotourism through our sustainable finance initiatives.

- Promoting biodiversity awareness among employees and customers: We raise employee awareness about biodiversity through internal communication and training programs. We also engage with customers on biodiversity-related issues through our products, services, and public awareness campaigns.

- Collaborating with stakeholders to protect and enhance Nigeria's biodiversity: We actively engage with stakeholders, including NGOs, communities, and government, on biodiversity-related issues. We also build partnerships with organizations specializing in biodiversity conservation and ecosystem management.

3.2.4.1. Policies

E4-2 – Policies related to biodiversity and ecosystems
We have implemented comprehensive policies to embed biodiversity considerations across all business operations. In our ESRM policy, we have biodiversity-related areas in our exclusion list. We have also developed an exclusion policy that prohibits financing activities linked to habitat destruction, unsustainable agriculture, and illegal deforestation. To enhance compliance, corporate clients in high-risk sectors such as agriculture, mining, infrastructure, upstream oil and gas are required to conduct biodiversity impact assessments as part of the loan approval process. These assessments are typically incorporated into Environmental and Social Impact Assessments (ESIA), Environmental Impact Assessments (EIA), Environmental Audit Reports (EAR), or Environmental Management Reviews (EMR), as applicable.

3.2.4.2. Actions

E4-3 – Actions and resources related to biodiversity and ecosystems
Fidelity Bank actively supports biodiversity conservation through both financing and operational initiatives. Over the years, we have adopted numerous green spaces across Nigeria to enhance urban ecosystems, promote habitat protection, and support climate resilience through afforestation programs. These initiatives reflect our strong commitment to environmental sustainability and have substantial investment. We understand that sustainable plans are not created in silos, to this end, we involved local communities, indigenous peoples and other relevant stakeholders in our biodiversity-related plans.

Internally, we have reduced our land use footprint through sustainable procurement practices and eco-friendly office designs, supported by a zero-deforestation procurement policy. We have also partnered with NGOs, conservation agencies, and government bodies to support reforestation projects spanning large areas of land. As active members of the Nigerian Conservation Foundation (NCF), and in alignment with global sustainability frameworks such as the Equator Principles (EP) and the UNEP FI, we are committed to biodiversity-friendly projects and have supported reforestation efforts across the country.

We are taking concrete steps to integrate biodiversity considerations into our business practices:

- **Biodiversity Risk Assessment:** We embed biodiversity into our environmental and social risk assessment process for lending and investment decisions. This includes identifying projects or businesses that could significantly impact biodiversity hotspots, protected areas, or endangered species, assessing the potential impacts of projects on ecosystem services, and requiring clients to develop and implement biodiversity management plans, where appropriate.
- **Sustainable Finance:** We support projects and businesses that contribute to biodiversity conservation and ecosystem restoration through our lending and investment activities. This includes financing sustainable agriculture and forestry practices, investing in protected area management, and supporting ecotourism projects.
- **Employee Awareness:** We raise employee awareness about the importance of biodiversity and our approach to managing biodiversity-related risks.
- **Stakeholder Engagement:** We engage with stakeholders, including NGOs, local communities, and government agencies, on biodiversity issues.
- **Partnerships:** We collaborate with organizations that have expertise in biodiversity conservation and ecosystem management.

We believe these actions will help minimize our impact on biodiversity while contributing to the conservation of Nigeria's rich heritage. Through the strategic allocation of our CAPEX, Fidelity Bank is actively supporting the environmental objectives of the EU Taxonomy and advancing a more sustainable future. We remain committed to continuous improvement and will strive to track and report our progress in aligning with the Taxonomy's criteria.

3.2.4.3. Metrics and Targets

E4-4 – Targets related to biodiversity and ecosystems
We integrate biodiversity and ecosystem considerations into our financing decisions as part of our broader sustainability goals, particularly those aimed at reducing our carbon footprint. While we have not established standalone biodiversity

targets, we monitor potential impacts of financed activities es, especially those related to land use change and freshwater use. Clients in sectors with significant biodiversity risks are expected to conduct environmental and biodiversity assessments in line with applicable regulations. This includes meaningful stakeholder engagement and the free, prior, and informed consent (FPIC) OF affected communities, supported by structured dialogue, environmental impact assessments (EIAs), and participatory processes.

We are guided by the IFC Performance Standards and apply the Equator Principles to all project finance above $10million to ensure biodiversity risks are adequately identified and managed. While we do not directly implement restoration or rehabilitation measures, we support conservation efforts through our CSR initiatives. Our approach reflects the biodiversity mitigation hierarchy by prioritizing avoidance and minimization of impacts and encouraging restoration and offsetting where necessary.

E4-5 – Impact metrics related to biodiversity and ecosystem change

Although we do not currently have specific standalone biodiversity KPIs, our impact metrics related to biodiversity and ecosystem change are integrated within our broader carbon footprint reduction efforts. We ensure thorough assessment of financing exposure to high-risk biodiversity sectors to manage potential environmental impacts responsibly. We are committed to financing projects that support ecosystem preservation and are exploring the development of biodiversity-linked loans and financial products designed to promote positive biodiversity outcomes. Through these measures, we aim to track and enhance our contribution to biodiversity conservation as part of our overall sustainability and climate strategy.

E4-6 – Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities

Biodiversity loss presents both financial risks and strategic opportunities for Fidelity Bank. Key risks include disruptions to supply chains, asset devaluation, and increased regulatory scrutiny associated with financing projects that contribute to ecosystem degradation. However, we also see biodiversity-conscious financial strategies as an opportunity for innovation. We are actively developing nature-based financial instruments, expanding our green project finance portfolio, and strengthening partnerships with regulatory bodies and sustainability organizations. These efforts help drive biodiversity-friendly initiatives and create value for our stakeholders.

3.2.5. Circular economy (E5)

At Fidelity Bank, we recognize the urgent need to transition to a circular economy model. We understand that our planet's resources are finite, and the traditional linear model of "take, make, dispose" is unsustainable. Therefore, we are actively embracing circular economy principles to minimize waste, conserve resources, and reduce our environmental footprint. Our commitment to a circular economy begins with a robust waste and pollution management strategy.

ESRS E5 - Resource Use and Circular Economy is key to managing environmental impacts across all levels. By optimizing resource use in our operations through reuse, repair, refurbishing, repurposing and recycling, and by promoting these principles including manufacturing through our lending activities, we help drive meaningful progress in climate action (E1), pollution reduction (E2), water conservation (E3) and biodiversity (E3) and biodiversity preservation (E4).The ESRS establish a structured framework to evaluate resource use and circular economy impacts across multiple environmental dimensions. At Fidelity Bank, our circular economy strategy aligns with the following ESRS areas:

ESRS E1 – Climate Change: We have taken great steps to reduce our reliance on fossil fuels by integrating renewable energy sources into our operations. Our energy efficiency programs, which include the installation of smart cooling systems and LED lighting, have led to a reduction in energy consumption, thereby lowering our greenhouse gas (GHG) emissions. Additionally, the introduction of our document management system has further helped reduce emissions associated with deforestation and paper production, supporting our transition to a paperless banking model and contributing to our broader climate action goals.

ESRS E2 – Pollution: At Fidelity Bank, we have implemented waste and pollution management strategies aimed at preventing emissions of hazardous substances into the air, water, and soil. Our recycling and circular procurement initiatives have ensured that a very good percentage of office materials and e-waste is processed responsibly, reducing landfill disposal.

ESRS E3 – Water and Marine Resources: We have adopted water-saving technologies, including water flow meters and the phased integration of sensor taps, across our branches. Additionally, we ensure that the conservation of water and marine resources is considered in our financed activities, reinforcing our commitment to sustainable water management beyond our direct operations.

ESRS E4 – Biodiversity and Ecosystems: We support biodiversity conservation through sustainable procurement practices, and strive to ensure that sourced materials come from environmentally responsible supply chains. Our financing strategy prioritizes sustainable investments that contribute to biodiversity protection and ecosystem restoration. Even as we reduce waste and promote circularity, we help reduce land degradation and deforestation, preserving natural habitats and strengthening ecosystem resilience.

We have a strategy that supports a transition to circular resource flows by:

- Striving to source materials through sustainable procurement practices that prioritize circular and environmentally responsible supply chains to minimize waste.
- Extending the lifespan of office equipment by reuse and refurbishment.
- Collaborating with recycling partners to ensure proper waste disposal and resource recovery.

3.2.5.1. Policies

E5-1 – Policies related to resource use and circular economy

We have developed a comprehensive policy framework to promote sustainable resource use and circular economy principles. We have a robust Sustainability Strategy and Implementation Framework that aims to reduce our environmental footprint across our operations and value chain by focusing on resource efficiency, waste management, and material reuse and recycling. We adequately comply with both national and international regulations on waste management, energy efficiency, and carbon emissions.

Our Sustainable Procurement Policy prioritizes the use of eco-friendly materials and partnerships with suppliers committed to sustainability. Additionally, we collaborate with government agencies, NGOs, and global organisations through our Corporate Social Responsibility (CSR) initiatives to drive circular economy projects in both urban and rural areas. Our policies also promote the reuse, repair, refurbishing, and recycling of office supplies and equipment to reduce waste and extend product life cycles. We are increasing our use of recycled materials and renewable energy in our operations. Investment in solar power and other renewable energy sources ensures that an increasing portion of our energy needs is met sustainably, further advancing our commitment to climate action and responsible resource management.

3.2.5.2. Actions

E5-2 – Actions and resources related to resource use and circular economy

At Fidelity Bank, we are committed to promoting the circular economy through a variety of initiatives. We have implemented and water-saving technologies across branches and invested in energy-efficient infrastructure to reduce resource consumption and greenhouse gas emissions. Our paperless initiatives including digital documentation, e-signatures, and online banking have significantly decreased paper use and improved overall resource efficiencies maintain partnerships with waste management companies and sustainability focused organizations to minimize waste generation and ensure responsible disposal. Our comprehensive recycling programs cover paper, plastics, and electronic waste, supporting waste diversion from landfills and resource recovery. Our sustainable banking team actively engages and trains employees on circular economy practices, fostering a culture of sustainability throughout the organization. Responsible sourcing is integral to our operations, as we prioritize recycled and sustainable materials in our offices and branches.

Circular economy principles are embedded in our lending framework, where we assess and support clients whose business models promote resource efficiency, waste reduction, and sustainable reuse. We actively encourage both borrowing and non-borrowing customers to adopt circular economy practices and engage in awareness campaigns through various social media platforms to promote these principles to the wider public. Through these combined efforts, Fidelity Bank continuously advances its commitment to resource efficiency, waste reduction, and sustainable development.

At Fidelity, our energy efficiency and resource management strategies incorporate the six key ESRS circular economy principles as follows:

- **Reuse:** Office equipment, such as IT hardware and furniture, is repurposed and reassigned across branches to extend their usability and minimize waste.
- **Repair:** Regular maintenance and repairs of office appliances, cooling systems, and lighting fixtures ensure longevity and reduce the need for premature replacements.
- **Refurbish:** Where possible, old IT equipment (e-waste) and office furniture are refurbished and upgraded, allowing us to reduce procurement of new materials and limit waste.
- **Remanufacture:** While we have minimal direct involvement in manufacturing, we strive to ensure that the electronic devices and office materials we procure come from manufacturers that incorporate remanufacturing into their supply chains. We also integrate these principles into our lending decision and actively encourage businesses in the remanufacturing sector as part of our broader commitment to circular economy.
- **Repurpose:** Some of our obsolete office equipment, paper waste, and packaging materials are creatively repurposed for internal office use
- **Recycle:** Our waste sorting and recycling initiative ensures that a significant percentage of paper, plastics, and electronic waste is diverted from landfills and processed through certified recycling partners.

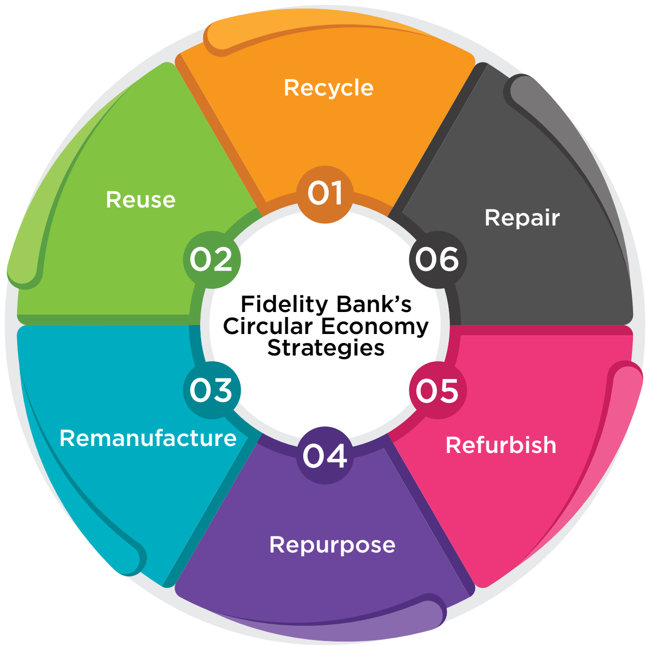


Figure 2: Our Circular Economy Principles in line with the ESRS

Additionally, we have:

- Reduce: We have adopted paperless transactions and digital communication wherever possible to minimize paper usage.

3.2.5.3. Metrics and Targets

E5-3 – Targets related to resource use and circular economy

We have set targets to align with our circular economy and sustainability commitments. Our goal is to significantly reduce waste generation across all of our offices and branches through enhanced sorting, recycling and reuse initiatives. In line with global climate action efforts, we are committed to reducing carbon emissions across our operations and portfolio and achieving net-zero greenhouse gas emissions by 2050, consistent with climate science and international objectives. We also strive to increase the proportion of materials sourced from circular supply chains, promoting maximum resources reuse and sustainability throughout our operations and value chain.

These targets are closely tied to global, national, and subnational sustainability goals. On a global level, our waste reduction and circular economy initiatives align with the United Nations Sustainable Development Goals (SDGs), particularly SDG 12

(Responsible Consumption and Production) and SDG 13 (Climate Action). We actively support Nigeria's Extended Producer Responsibility (EPR) framework for electronic equipment use and waste management regulations that promote resource efficiency and reduce landfill dependency.. At the sub-national level, we collaborate with the Lagos state environmental agencies like LASPARK and the Ministry of Environment to implement environmental management strategies, aligning with the state's local policies on environmental protection, waste reduction and recycling.

As part of our waste management approach, we implement segregation at source and ensure responsible disposal. Non-biodegradable waste, such as plastics and electronics from us, are diverted to certified recycling partners. We also explore innovative solutions and partnerships that transform waste streams into valuable resources, reinforcing our commitment to a low-carbon and circular economy.

E5-4 – Resource inflows

As part of our culture, we have developed practices to ensure responsible sourcing across our value chains. We prioritize the use of sustainable materials and continue to shift towards renewable energy sources such as solar power to reduce reliance on fossil fuels. Water-saving technologies are implemented across our offices to further promote resource efficiency. To support accurate waste management reporting, we have introduced measures to avoid duplication in tracking reuse and recycling. Waste streams are clearly distinguished between materials repurposed internally and those sent for external recycling. Our tracking practices ensure that materials are accounted for only once as they move through different stages of reuse or recycling.

E5-5 – Resource outflows

At Fidelity Bank, we have implemented measures to manage our resource outflows. Our investments in energy efficient lightning, smart cooling systems, and infrastructure improvements have contributed to approximately a 22 percent reduction in emissions from diesel generator use and approximately a 4.5 percent reduction in emissions from grid electricity consumption. These efforts support broader climate and sustainability goals. As a financial institution, our operations do not involve large scale manufacturing or industrial production, and that means that our direct material outflows are relatively very limited. However, we actively support circular economy principles through our financing strategies, ensuring that the businesses and projects we fund incorporate sustainable resource use, waste reduction, and responsible material management.

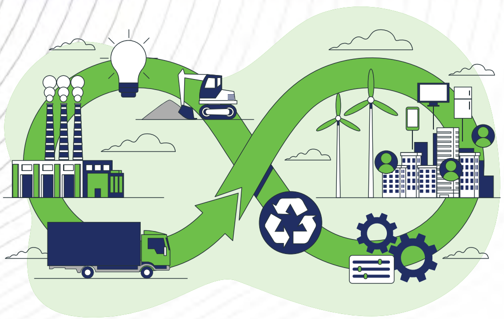
While our own material outflows are minimal, we remain committed to responsible consumption within our operational footprint. We ensure that materials used across our facilities such as office supplies, furniture, and technology are sourced with sustainability in mind. This includes:

- Prioritizing recycled and responsibly sourced materials in procurement
- Extending the lifecycle of IT equipment and office infrastructure by refurbishing and reusing them
- Ensuring all disposals, particularly electronic waste, follow proper recycling protocols
- Using eco-friendly alternatives to minimize reliance on single-use plastics and non-recyclable materials

Our waste primarily originates from office operations, banking halls, and facility maintenance activities, with key materials including:

- Paper and cardboard from office use and customer transactions
- Plastics from packaging and office supplies
- E-waste from outdated IT equipment and electronic banking infrastructure, and
- Organic waste from cafeteria and landscaping activities

Our operations do not involve industrial or chemical intensive processes. We ensure responsible management of electronic waste through certified recycling partners to prevent environmental harm and recover valuable materials. While emissions associated with paper consumption have decreased by approximately 9 percent, emissions from waste generation and disposal have increased. We remain committed to reducing emissions in this area by adopting innovative strategies and continuously improving our waste management practices. Through enhanced waste segregation, expanded recycling initiatives, and exploration of new waste-to-resource solutions, Fidelity Bank reinforces its dedication to advancing a sustainable and circular economy.



Transition to a Circular Economy

Energy Use and Conservation

Fidelity Bank recognizes the critical role of energy management in reducing its environmental footprint and operational costs. In 2024, our total energy consumption included grid electricity, diesel fuel for onsite power generation, renewable energy, and petrol used by our vehicle fleet.

We are actively implementing a decarbonization strategy that prioritizes energy efficiency and a gradual transition to cleaner energy sources. This commitment aligns with our broader sustainability goals and is embedded in our climate strategy. Our initiatives involve evaluating energy use across all operational areas and adopting more efficient energy systems to reduce energy demand and enhance performance. We continue to transition branches and offices to cleaner energy sources. We have set a clear target to drive this agenda: strive to implement energy-efficient initiatives in our operations and reduce energy consumption by 40% by 2028.

Energy Use and Conservation Within the Organization

Fidelity Bank's energy consumption profile highlights usage trends across 2023 and 2024, covering key sources including diesel, grid electricity, petrol and renewable energy

- **Diesel:** 4,617,144.93 litres in 2023, reduced to 3,605,228 litres in 2024
- **Grid Electricity:** 5,743,333.40 kWh in 2023, reduced to 5,486,200 kWh in 2024
- **Petrol:** 1,376,125.80 litres in 2023, reduced to 1,071,295.86 litres in 2024

Renewable Energy: Solar energy used in select branches and offices, with infrastructure continuing to expand. This diverse energy mix reflects our continued efforts to enhance operational efficiency and conserve energy across all aspects of our business. Our investment in solar infrastructure supports our broader commitment to sustainability and cleaner energy solutions.

Future Plans:

- Fidelity Bank is committed to further reducing its energy consumption and increasing the share of cleaner energy across its operations. To advance these goals, we will:
  - Expand the implementation of energy efficiency measures across our facilities
  - Explore additional opportunities to source renewable energy.
  - Invest in modern technologies and innovations that can optimize energy performance.
  - Engage employees and other stakeholders to strengthen awareness and action on energy conservation.

E5-6 – Anticipated financial effects from material resource use and circular economy-related risks and opportunities

For us at Fidelity Bank, we recognize both the risks and opportunities associated with transitioning to a circular economy. On the risk side, supply chain disruptions due to the limited availability of sustainable materials and recycled components could lead to increased costs and project delays. To mitigate this, we work closely with suppliers and industry partners to diversify our resources and strengthen supply chain resilience. Stricter environmental regulations could also pose financial challenges if we fail to meet our targets. To address this, we are investing in cleaner technologies and improving operational processes to ensure full regulatory compliance.

On the opportunity side, our resource efficiency improvements are expected to generate cost savings through lower waste disposal fees and utility costs. We also anticipate growing demand for our sustainable investment products, which supports revenue growth over time. Our strong commitment to sustainability enhances brand reputation, attracts environmentally conscious customers, and improves customer retention, ultimately contributing to long-term financial benefits for us at Fidelity Bank.

As we balance the risk mitigation process with opportunity capture, we are confident of our ability to create sustainable, long-term value through circular economy practices.

3.3. Social

3.3.1. Own Workforce (S1)

At Fidelity Bank, we believe that our workforce is integral to the organization as they help drive our values and we have ensured we have a robust system in place that makes every employee feel valued, safe, and included in every phase of the bank's activity. This vision drives our comprehensive policies on diversity, equity, inclusion, and health and safety.

This section provides a comprehensive overview of Fidelity Bank's social performance, encompassing our workforce, value chain workers, affected communities, and customers. Our reporting is aligned with the European Sustainability Reporting Standards (ESRS) S1-S4, ensuring transparency and accountability in our social impact.

3.3.1.1. Policies

S1-1 – Policies related to own workforce

At Fidelity Bank., we are deeply committed to fostering a diverse and inclusive environment where every individual is valued and respected. Our Diversity Policy is a testament to this commitment, ensuring that discrimination has no place within our organisation.

To successfully drive our workforce engagement, we have carefully curated our diversity policy which is integral to our workforce engagement. In addition, we have built over the years employees that are dedicated to upholding a non-discriminatory environment. We do not tolerate any form of discrimination, whether direct or indirect, against any employee, customer, or individual associated with the Bank. This includes discrimination based on gender, ethnicity, race, religion, physical disability, or any other characteristic.

As an equal-opportunity employer, we recognize the immense value that employees from diverse cultural and linguistic backgrounds bring to our organisation. This diversity enriches our understanding and enhances our ability to provide exceptional service to various markets. We ensure that job descriptions and specifications are free from discriminatory language and practices. In addition, our rewards and recognition are based solely on performance and the pursuit of excellence. We are committed to treating all employees fairly, evaluating them objectively, and compensating them equitably, regardless of gender or any other affiliation.

To support our Diversity Policy, we have implemented several key initiatives:

i. Educating Managers on the benefits of diversity in the workplace
ii. Employee Engagement
iii. Inclusive Workplace Policies
iv. Buddy/Mentorship Programs
v. Clear Communication and creating Employee-Led Task Forces

From the moment new employees join us, they are introduced to our core values through engaging onboarding sessions. These sessions are just the beginning. We maintain a culture of continuous learning and improvement through regular training programs and updates on our intranet. Our policies are frequently reviewed to ensure they align with local labor laws and global best practices, creating a dynamic and compliant work environment.

We also have an employee code of conduct equivalent which we call the **Personnel Policies and Procedures Guide (PPPG).** The document outlines the ethical principles and standards of behavior expected of all employees.

Our Human Rights Policy defines our commitment to upholding human rights standards in our business operations. This policy is used in used in tandem with other existing bank policies such as:

- Personnel Policies and Procedure Guidelines
- Environmental and Social Risk Management Policy
- Code of Ethics Policy
- Whistle Blowing Policy

Our Human Rights Policy aligns with extant laws and international treaties on human rights to promote fair treatment, non-discrimination, and equal opportunities for all workers in our value chain. The Bank also integrates human rights due diligence into its decision-making process when assessing clients

and when selecting the bank's vendors, contractors and third-party service provider. The due diligence process shall also detail treatment for human rights risks identified and provide guidance on continuous process to addressing grievance issues.
These policies, along with others, guide our efforts to create a positive and supportive work environment for all.

3.3.1.2. Actions

S1-2 – Processes for engaging with own workforce and workers' representatives about impacts
We believe in the power of open dialogue. To ensure our employees' voices are heard, we regularly engage with them through surveys, focus groups, town hall meetings, and feedback sessions. The insights we gather are invaluable, shaping our policies and strategic planning to address key concerns and potential impacts.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns
We believe in open communication and transparency. To this end, we have established multiple channels for employees to raise concerns, our structured grievance management process ensures that all concerns are reviewed fairly and transparently, fostering a culture of trust and accountability.
At Fidelity Bank., we remain committed to fostering open communication and transparency by providing multiple channels for employees to raise concerns. These include anonymous hotlines, internal reporting portals, and one-on-one meetings, allowing employees to voice issues privately and confidentially. We also offer the option to raise concerns through emails for convenience and discretion. Regular staff engagement sessions create open forums for discussions, promoting trust and continuous improvement. Our structured grievance management process ensures that all concerns are reviewed fairly and transparently, reinforcing a culture of trust, accountability, and prompt resolution.

Our Human Rights Policy and Personnel Policies and Procedures Guide (PPPG) outline the recommended steps employees take when aggrieved. These steps include:

- Consulting with the immediate supervisor,
- Escalating the issue to the Head of Division and then to the Directorate if the grievance remains unresolved. After reviewing the problem, the Manager at the next level will strive to propose a workable solution, and
- Rendering a decision on the matter after reviewing all pertinent facts of the case and consulting with the parties involved.

At any stage beyond the discussion with the immediate supervisor, the staff must submit any grievance in writing. This request should contain a statement of the problem and a brief.
Fidelity Bank's Whistle Blowing Policy encourages anonymous reporting of any breach of ethical issues to the Ethics Committee by e- mail or through calls to designated mobile phone numbers.

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
We prioritize the well-being and recognition of our employees, ensuring they feel valued through fair compensation, competitive benefits, and acknowledgment of their contributions. Our ongoing efforts focus on fostering a positive work environment and delivering an engaging and rewarding employee experience. To better understand and address the needs of workforce, we regularly engage with employees through in-person meetings and online surveys, creating open channels for dialogue about the issues that matter most to them. In addition, we implement initiatives designed to boost employee engagement, including wellness programs and recognition schemes. We are also dedicated to supporting continuous professional growth by providing learning opportunities that encourage skill development and active participation in training programs. When significant workforce-related challenges arise, we take decisive actions by launching targeted campaigns and introducing policy changes to further support our employees.

3.3.1.3. Metrics and Targets

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Employee Satisfaction: We are committed to ensuring that our employees are satisfied and valued. We also ensure that they are recognized for their contributions, and that their compensation and benefits are competitive. We continually strive to create a positive work culture and satisfactory work experience.

Targets:

- Conduct in-person meetings or online surveys with our employees to identify and discuss issues that are critical to them quarterly.
- Reduce employee turnover by 5% annually, using 2023 as our baseline which will reflect overall employee satisfaction.
- Introduce initiatives to engage our employees annually such as wellness program, recognitions and awards program.
- Introduce learning opportunities for our employees to learn new skills and increase our learnings participation records by 5% annually.
- We strive to achieve the following objectives across key areas of our workforce:
- Employee Engagement: We aim to enhance employee engagement through improved communication, strong feedback mechanisms, and comprehensive wellness programs.
- Diversity and Inclusion Training: To foster a more inclusive workplace culture, we are committed to ensuring that all employees complete annual diversity and inclusion training.
- Workplace Safety: We seek to reduce workplace safety incidents by strengthening safety protocols, conducting regular training and implementing thorough hazard identifications programs.
- Gender Pay Gap: We maintain a policy of equal pay across genders and are dedicated to upholding this through transparent pay policies, regular audits, and targeted compensation adjustments.
- Persons with Disabilities: We are committed to increasing the representation of persons with disabilities within our workforce by promoting inclusive hiring practices and improving workplace accessibility.

S1-6 – Characteristics of the undertaking's employees

We systematically collect and analyze data on our workforce's job roles, contracts, and tenure. This information helps us assess engagement levels and workforce stability, ensuring that we are effectively addressing the needs and aspirations of our employees.

Information on employee headcount by gender

Table 16: Number of Employees

Gender	Number of employees (headcount)
Male	1508
Female	1619
Other	0
Not reported	0
Total employee	3127

S1-7 – Characteristics of non-employees in the undertaking's own workforce

We extend our commitment to health and safety to non-employees, including our contractors and temporary workers. Managing our non-employees through service-level agreements and ensuring any concerns are directed to their employers or our oversight teams are key to us as we uphold the same high standards for everyone working with us.

S1-8 – Collective bargaining coverage and social dialogue

While we do not currently have formal collective bargaining agreements, we prioritize regular engagement with workers' representatives. These discussions are crucial for addressing workforce concerns about wages, working conditions, and welfare policies. We maintain an open dialogue, and we ensure that our employees' voices are heard, and their needs are met.

S1-9 – Diversity metrics

Diversity is a cornerstone of our organizational culture. We track diversity metrics across gender, age, ethnicity, and disability status. Our goal is to achieve balanced representation at all levels of the organization, including leadership roles, by increasing female representation and the inclusion of underrepresented groups. As part of this commitment, our specific target is to attain 35% female representation in top management and senior executive roles by 2030.

Diversity and Equal Opportunities

We are committed to fostering a workplace that upholds fairness, inclusivity, and equal opportunities for all employees. We believe that diversity strengthens our organisation, and we actively promote an environment where every individual is treated with dignity and respect. We firmly believe that a diverse workforce enriches our innovation, creativity, and ability to effectively serve our customers. To ensure that we are progressing towards our diversity and inclusion goals, we monitor our performance through a range of metrics and targets.

Measuring Diversity and Inclusion

We utilize several key metrics to assess our performance in promoting diversity and equal opportunities. These metrics include tracking the gender ratio within our workforce to ensure a balanced representation of male and female employees across all organizational levels. This analysis encompasses the gender composition of our Board of Directors, senior management, and the overall employee population. Additionally, we conduct demographic analyses to examine the representation of various demographic groups within our workforce, including age, ethnicity, disability status, and other relevant factors. This allows us to identify areas where we can improve our efforts to promote diversity and inclusion.

Furthermore, we conduct regular employee surveys to gather feedback on their experiences and perceptions of diversity and inclusion within the workplace, helping us identify areas where we can refine our policies and practices.

Targets and Progress

We are committed to achieving gender balance within our workforce and are pleased to report that, in 2024, we reached 52% female and 48% male representation. We aim to attain 35% female representation in top management and senior executive roles by 2030.

Table 17: Gender Analysis as at December 31, 2024.

Gender analysis of total staff as at 31 December, 2024			31 December, 2023	
Gender	Number	% of total staff	Number	% of total staff
Female	1,619	52%	1,537	50%
Male	1,508	48%	1,526	50%
TOTAL	3,127	100%	3,063	100%

Gender analysis of top management (AGM-GM) as at 31 December, 2024			31 December, 2023	
Gender	Number	% of total staff	Number	% of total staff
Female	17	27%	2	33%
Male	45	73%	4	67%
Total	62	100%	6	100%

Gender analysis of top management (AGM-GM) as at 31 December, 2024				31 December, 2023		
Grade	Female	Male	Total	Female	Male	Total
General Manager	2	7	9	0	8	8
Deputy General Manager	4	13	17	6	12	18
Assistant General Manager	11	25	36	10	22	32
Total	17	45	62	16	42	58
Percent-age	27%	73%	100%	28%	72%	100%

Gender analysis of the Board of Directors as at 31 December, 2024				31 December, 2023		
Grade	Female	Male	Total	Female	Male	Total
Executive Director	1	4	5	1	4	5
Managing Director	1	0	1	1	0	1
Non-Ex-ecutive Director	2	6	7	2	6	8
Total	4	10	14	4	10	14
Percentage	29%	71%	100%	29%	71%	100%

Fidelity Bank is committed to complying with all applicable laws and regulations related to diversity and equal opportunities, including adherence to anti-discrimination laws, equal pay regulations, and other relevant legislation. We regularly review our policies and practices to ensure compliance and provide training to our employees on their rights and responsibilities.

Monitoring and Review

We monitor our progress towards our diversity and equal opportunities targets through regular reporting, data analysis, employee feedback, and external benchmarking. This multifaceted approach allows us to track our diversity metrics, identify trends and areas for improvement, and ensure that we are aligning with industry best practices.

We are committed to continuous improvement in our diversity and equal opportunity performance. Our future plans include expanding diversity training to cover topics such as unconscious bias and inclusive leadership, strengthening our recruitment practices to attract a diverse pool of talent, and promoting inclusive leadership to create a workplace culture where all employees feel valued and respected.

S1-10 – Adequate wages

We are committed to providing fair and competitive compensation. Our employees receive wages that meet or exceed industry standards and local minimum wage requirements. Regular reviews allow us to adjust for inflation and evolving market conditions, ensuring that our compensation packages remain attractive and equitable.

S1-11 – Social protection

Our social protection programs are designed to support our employees' well-being. We offer health insurance, pensions, disability coverage, and paid parental leave. Additionally, we provide mental health support and wellness programs, recognizing the importance of holistic well-being in fostering a productive and satisfied workforce.

S1-12 – Persons with disabilities

Inclusivity is at the heart of our workforce policies. We are dedicated to creating an accessible workplace for persons with disabilities through adaptive technologies and accessible facilities. Our commitment extends to fair hiring practices and training programs that promote awareness and inclusivity, ensuring that everyone can thrive at Fidelity Bank. Currently, we have three number of people with disabilities who are active members of our workforce.

S1-13 – Training and skills development metrics

Fidelity Bank is committed to equipping staff with critical technical and leadership skills. Our comprehensive training programs are delivered by both internal and external facilitators, with select staff also benefitting from international training opportunities. The curriculum covers essential areas such as business continuity, anti-money laundering, bribery and counter-financing of terrorism (CFT), IT risk, operational risk, sustainability and climate change, data protection and customer privacy, and credit risk management.

S1-14 – Health and safety metrics

At Fidelity Bank, we are dedicated to maintaining a safe workplace. Our approach involves meticulous monitoring of health and safety metrics, including incident rates and lost-time injury frequency. These metrics guide our efforts to create a safer work environment for all employees.

To support this commitment, we have established clear targets. The bank is working to minimize workplace incidents through enhanced safety protocols, regular training sessions, and proactive hazard identification measures. At the same time, we strive to ensure that all employees complete the required safety training programs, reinforcing a strong culture of safety and preparedness across the organization.

We monitor our progress through detailed incidents reports, training attendance records, and key performance indicators such as list-time injury frequency rates. These efforts reflect our commitment to continuous improvement in occupational health and safety.

Table 18: Occupational Health and Safety

Parameters	Fidelity Bank's Internal Metrics	2023	2024
Employee Safety Improvement	Number and Rate of Fatalities:	Fatality – 0 Fatality Rate: 0 per 100,000 hours worked.	Summary: Zero fatalities recorded in 2024. Details: Bank Permanent staff - Zero. Ad-hoc staff - Zero. Vendor Staff - Zero. Customers - Zero.
	Number and Rate of High - Consequence Injuries	Injuries 2 high consequences work-related injuries excluding fatalities. Consequence Injury Rate: 0.15 per 100,000 hours worked	Nil
	Number and Rate of Recordable Injuries	15 work related injuries Recordable Injury Rate: 1.12 per 100,000 hours worked	Less than 1.0 in 100,000 hours achieved
	Achieve a 20% reduction in LTIFR compared to the previous year	Achieved a 15% reduction compared to the previous year	Bank achieved estimated 25 % reduction relative to 2023 LTIFR.
Compliance with OHS Regulations	Achieve 98% compliance with all OHS Regulations by the end of the reporting period	Achieved 95% compliance with OHS regulations	Significantly achieved through awareness and publications by Brand and Communication Division that support staff compliance to Bank OHS regulations.
OHS Employee Training and Awareness	Ensure 100% of the employees receive OHS training and awareness sessions annually	Achieved 98% training completion rate	Internal OHS Staff: 100% employee awareness training achieved for Security and safety staff. Other bank staff also participated in OHS training to enhance compliance. Bank wide training for all staff can only be conducted by the HR Division.

S1-15 – Work-life balance metrics

Fidelity Bank recognizes the importance of promoting work-life balance as part of its commitment to employee well-being. The Bank encourages a healthy workforce and has implemented a variety of programmes and policies designed to support staff in achieving a sustainable balance between work and personal life.

We offer flexible working hours, remote work options, and wellness initiatives. In addition, the Bank provides a range of supportive services and initiatives, including:

- Fidelity Games an internal sporting event designed to promote team spirit and physical wellness
- Annual Medical Check-Up -regular health screenings for early detection and prevention
- Corporate Club Membership - access to fitness and recreational facilities for bonding and exercise
- Canteen Services-; provision of quality meals by approved caterers, served between 12:30p.m. and 2:30p.m.

We also monitor key metrics such as average working hours and participation rates in wellness programs. These metrics help us evaluate the effectiveness of our initiatives and ensure continuous improvement in supporting employee well-being.

S1-16 – Remuneration metrics (pay gap and total remuneration)

At Fidelity Bank, we are committed to pay equity and fairness. Our policy ensures that make and female employees performing comparable roles receive equal pay, with no discrimination based on gender. The remuneration policy of Fidelity Bank is designed to attract, retain, and motivate high calibre staff required to achieve the Bank's strategic business objectives. It is grounded in the principles of job evaluation/classification, performance assessment, and the need to reward individuals based on their contributions to the Bank.

Our total remuneration package is both externally competitive and internally equitable. The structure includes not only base salaries but also a comprehensive suite of fringe benefits such as medical care, status vehicles, and a housing scheme to support employees in home ownership.

No employee, at the point of recruitment, earns less than the minimum of the salary range of their respective salary group. Our remuneration framework is designed to stimulate high performance, reward merit, and ensure transparency and fairness across the organization.

S1-17 – Incidents, complaints and severe human rights impacts

We take all incidents and complaints seriously. Each is logged and investigated, with severe human rights issues escalated promptly to senior leadership. In cases involving grave human rights issues, immediate reporting and action are undertaken, these are not deferred to routine reporting cycles. We monitor the number of complaints and resolution rates and report them on a regular basis to uphold accountability and transparency.

Human Rights

At Fidelity, we uphold the highest standards of human rights in the workplace. Our Human Rights Policy is designed to ensure fair treatment, non-discrimination, and equal opportunity for all our employees. We believe that respecting human rights is not only a legal and ethical obligation but also essential for building a sustainable and inclusive business. To ensure we are meeting our commitments, we monitor our performance in addressing human rights risks and opportunities through a range of metrics and targets.

Fidelity Bank is dedicated to upholding human rights and consistently aligns with the International Bill of Human Rights in accordance with the conventions of the International Labor Organisation (ILO). The Bank ensures that human rights considerations are prioritized during lending decisions, and these are incorporated into contract agreements, including the Service Level Agreement (SLA) of vendors. We have embedded best global practices in our Service Level Agreement (SLA).

The SLAs are reviewed by various teams within the bank including Sustainable Banking, IT Risk, Data Protection, Legal, and Compliance, in addition to the process owners.

For us, maintaining a strong worker-management relationship is also essential to fostering a positive work environment. We actively engage employees in constructive dialogue and continuously seek ways to improve workplace policies. Furthermore, we comply with national labor laws and international best practices, ensuring that our employment policies remain ethical and up to global standards. We pay special attention to labor risks, particularly concerning migrant workers, third-party contractors, and supply chain employees. As we continue to proactively identify and address these risks, we uphold Fidelity's commitment to human rights and ethical labor practices.

We are signatories to several international initiatives that support these values, including the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Global Compact (UNGC), and the United Nations Women's Empowerment Principles (UN WEPs). In our lending decisions, we are also guided by key standards that incorporate human rights considerations, such as the IFC PS, the Equator Principles, and the Central Bank of Nigeria's Nigerian Sustainable Banking Principles.

Figure 3: Our Human Rights Practices

Monitoring Human Rights Performance

We utilise several key metrics to assess our performance in relation to human rights. These metrics include tracking the number of human rights-related incidents reported through our grievance procedures and whistleblowing mechanisms. This encompasses incidents related to discrimination, harassment, forced labour, child labour, and any other violations of human rights. We also evaluate our response to reported incidents, including the timeliness and effectiveness of investigations and corrective actions taken. This helps us identify areas where we can improve our processes and ensure that human rights concerns are addressed promptly and effectively. Furthermore, we monitor our progress towards targets set for addressing human rights-related risks and opportunities, including tracking the implementation of human rights policies and procedures and the effectiveness of training and awareness programs.

Targets and Progress

We have set a target of achieving full compliance with our human rights policies and procedures. This includes ensuring that all employees, suppliers, clients and business partners are aware of our human rights commitments and adhere to our standards. We maintain a zero-tolerance approach towards human rights violations. Any reported incidents are thoroughly investigated, and appropriate actions are taken.

Training and Education

We have a dedicated team called Crest Academy in Fidelity Bank, and the team plays a crucial role in ensuring that employees are continuously trained and equipped with the necessary skills and knowledge to perform their roles effectively. We firmly believe that learning is an ongoing process. Our primary responsibility is to drive capacity building and foster the culture of the Fidelity brand, particularly for new employees who undergo mandatory training to understand the company's expectations and values.

At the beginning of each year, we develop a comprehensive training plan based on budget approvals and a structured needs assessment process. This involves reviewing performance appraisals and collaborating with line managers to identify skill gaps. Additionally, employees themselves can request training based on personal development needs, ensuring that learning remains dynamic and responsive. Our training programs are also aligned with the bank's strategic priorities, whether focused on digital transformation, cybersecurity, or sustainability to ensure that employees are equipped to meet evolving business demands.

Our dedicated learning and development team does not work in silos, we have built a sense of collaboration within our organisation, and this is essential for effective delivery especially in driving sustainability initiatives. For sustainability related trainings, the Crest Academy work together with the sustainability team to execute training programs that align with the bank's commitments. As part of this, we integrate sustainability training into our curriculum, ensuring that employees understand their role in advancing the bank's sustainability goals. In addition, our bank's membership in sustainability-focused organisations influences our training agenda. When Fidelity as a bank attends sustainability forums, the insights gained are incorporated into our training plans, allowing us to align with industry best practices and regulatory expectations.

To ensure accessibility and efficiency, we leverage various technological tools to deliver training programs. Our Electronic Learning Management System (ELMS) supports structured learning, while Microsoft Teams facilitates virtual training sessions, including our regular Thursday lecture series. Employees also have access to an internal learning portal where they can take self-paced courses and quizzes to assess their knowledge retention. For physical training sessions, which involve both internal and external facilitators, assessments are conducted to measure knowledge acquisition and application. These assessments provide valuable feedback for refining training methods and ensuring that learning objectives are met.

At Fidelity Bank., we are committed to fostering a culture of continuous learning that empowers employees to excel in their roles while also contributing to Fidelity's long-term strategic goals.

3.3.2. Workers in the value chain (S2)

Refer to ESRS 2 SBM-2 and SBM-3 for details on stakeholders' views and insights and a description of our material impacts, risks and opportunities and their interaction with strategy and business model.

3.3.2.1. Policies

S2-1 – Policies related to value chain workers

Our Human Rights Policy outlines the Bank's dedication to maintaining high human rights standards. It includes a comprehensive non-discrimination policy that strictly prohibits child labor, forced labor, and any form of discrimination based on religion, gender, race, tribe, age, physical ability, or economic background. This policy is in full alignment with existing laws, including the relevant provisions of the Constitution of the Federal Republic of Nigeria.

The Bank remains dedicated to meeting the standards set by international human rights treaties, as domesticated and ratified by the National Assembly, along with other workplace-related treaties. In our steadfast commitment to upholding human rights, we are consistently aligned with the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the conventions of the International Labor Organisation.

The bank has also established policies on data confidentiality, secure handling of personal data, data access controls, and adherence to applicable data protection laws (such as NDPA or other regional regulations) for value chain workers. The bank also enforces supplier HSE compliance policies, contractor safety management guidelines, and sustainability standards tailored to value chain operations.

3.3.2.2. Actions

S2-2 – Processes for engaging with value chain workers about impact

At Fidelity, we understand that the rights, fair treatment, and inclusion of value chain workers are crucial to our long-term success and contribute meaningfully to our sustainability goals.

Our approach to engaging workers in the value chain is guided by a comprehensive set of internal policies. These include our Sustainability Strategy and Implementation Framework, Sustainable Procurement Policy, Human Rights Policy, and Data Privacy Policy. We are also committed to upholding internationally and nationally recognized standards and principles, including the CBN NSBP and IFC PS. The Sustainable Banking team also conducts due diligence on suppliers and contractors regarding human rights risk through an Environmental and Social (E & S) review; to understand the positive or negative impacts we have on value chain workers. To address the material impacts of our activities on value chain workers, we form collaborations and strategic partnerships, conduct trainings, communicate our standards and code of conduct with value chain workers, carry out motivation campaigns, etc. The bank also engages value chain workers through joint risk assessments, supplier forums and trainings, and direct feedback sessions to identify and address specific HSE impacts. Our focus is on ensuring ethical and sustainable practices throughout our value chain.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

We have established communication channels, such as, WhatsApp, email, and phone calls to engage with and manage our value chain workers, including addressing health-related issues. We also promote reports and visits to the Bank's branches. These are legitimate, accessible, and transparent channels that are always improved on to ensue effective dialogue with value chain workers, irrespective of location.

Once we receive a report on a concern, our remediation process includes immediate corrective action plans, and process improvements informed by root cause analyses. We track and monitor issues raised through various established communication channels to ensure accountability and continuous improvement.

We create awareness about these channels through emails to value chain workers, forums, and during onboarding sessions. We ensure to emphasize confidentiality and non-retaliation when communicating with workers in the value chain to build trust and promote transparency. Through these efforts, Fidelity Bank reinforces its commitment to upholding human rights and promoting a sustainable value chain.

When interacting with vendors, we identify human rights issues and incorporate these topics in our SLA to ensure that potential risks do not materialize, as they could lead to reputational damage for the bank.

S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

We have taken proactive steps, to address significant impacts on value chain workers, mitigate related risks, and leverage opportunities that foster a more ethical and sustainable supply chain.

We have not recorded any human rights issues within our value chain this reporting period, as no such cases were reported. To manage any material risks, we will align our practices with international sustainability standards like ISO 45001 helping to mitigate reputational, operational, and regulatory risks. In addition to risk management, we also to enhance value chain resilience by investing in capacity building trainings for employees and suppliers.

Fidelity is committed to mitigating negative impacts on value chain workers through corrective action plans, supplier audits, responsible procurement policies. To remedy any impacts, we provide accessible grievance channels, including forums, surveys, and phone calls, to ensure timely and transparent resolution.

These efforts reinforce our commitment to an ethical and sustainable value chain. By embedding responsible business practices, we drive positive impact across our operations and broader value chain.

3.3.2.3. Metrics and Targets

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

We are committed to ensuring that material negative impacts on workers in the value chain do not occur on an ongoing basis. These include reducing workplace incidents by 20%, achieving full compliance with safety standards, conducting annual audits for all major value chain partners, ensuring equal opportunities for women, and employing physically challenged individuals.

We remain committed to enhanced supplier training, strict compliance monitoring, and increased collaboration with value chain partners to strengthen communication and promote ongoing compliance among suppliers.

Stakeholder Engagement

Our stakeholder management communication policy aims to guide the dissemination of information internally and externally about the Bank, promote the Bank's activities, and support its overall corporate goals.

At Fidelity Bank, we understand the importance of stakeholder engagement in defining our sustainability goals and fostering positive outcomes. We interact with a diverse range of stakeholders, such as:

- **Employees:** creating an inclusive and supportive workplace, fostering diversity, equity, and inclusion, and empowering employees to actively participate in achieving our sustainability objectives.
- **Customers:** recognizing customers' changing needs and expectations, we provide tailored financial products and services that enhance financial inclusion and empowerment.
- **Suppliers:** collaborating with our suppliers to promote responsible sourcing, ethical supply chain management, and supplier diversity initiatives. Through open dialogue and cooperation, we strive to advance sustainability throughout our value chain.
- **Investors:** providing transparent and timely updates on our sustainability performance, risks, and opportunities to promote trust and confidence among our investors.
- **Regulators:** adhering to regulatory requirements and collaborating with regulators to promote responsible banking practices and advocate for regulatory reforms that align with our sustainability goals.
- **Communities:** collaborating with local communities to tackle their social and environmental challenges through community development projects, philanthropy, and volunteer efforts.

Table 19: Stakeholder Engagement Topics

Stakeholder Group	Mode of Engagement	Frequency	Key Topics
Customers	• ATMs, mobile and internet banking ads • Calls and conference calls • Emails, SMS, and social media • In-branch network and material • Surveys • Public portal	• Daily • Annually • Ad hoc	• Access to cash • Information security awareness • Continuity of business • Accessibility and convenience • Quality of service • Electronic transactions, processing time, claims and disputes • Commercial campaigns
Employees	• Face-to-face meet-ings • Calls and conference calls. • Email • Internal or external surveys • Training and seminar sessions • Performance ap-praisal	• Daily • Weekly • Monthly • Quarterly • Annually • Ad hoc	• Career development • Compensation and benefits • Compliance • Healthy and safe working conditions • News and business updates
Suppliers	• Letters • Calls and conference calls • Emails • Surveys • Face-to-face meet-ings • On site visits and inspections	• Weekly • Bimonthly • Monthly • Quarterly • Annually • Ad hoc	• Supplier assessment • Policy reviews and business updates • Complaint resolution • Trainings • Monitoring and evaluations

Table 20: Stakeholder Engagement Channels and Frequency

Investors	• Reports, presentations • Calls • Meetings • Annual general meetings • Extraordinary general meetings	• Daily • Ad hoc	• Financial performance and dividends • Investor relations • Legal consultancy • Corporate governance
Regulators	• Email and letters • Phone calls • Websites and portals • Formal letters • Face-to-face and virtual meetings • Performance reports	• Monthly • Quarterly • Annually • Ad hoc	• Access to cash • Regulatory compliance • Lending • Updates on products and services
Communities	• Strategic collaborations • Town hall meetings • Formal communications • On-ground activations	• Monthly • Quarterly • Annually • Ad hoc	• CSR initiatives • Collaborations on SDGs • Sustainability publications

Occupational Health and Safety (OHS)

At Fidelity, we understand the importance of good health and well-being within our workforce. We are dedicated to ensuring the safety and wellbeing of our employees, customers, contractors/vendors, visitors, and everyone within the Bank's premises across the nation.

Our Occupational Health and Safety (OHS) Management System Policy depicts our objectives and is designed to attain a zero-accident rate across all our facilities. These objectives include:

- Identifying and highlighting priority Occupational Health and Safety (OHS) issues, hazards, and accidents that are relevant to the Bank, with a view to mitigating them through appropriate instruments and measures, thereby reducing occupational risks to an acceptable minimum for a healthier workforce.
- Maintaining a healthy and safe work environment to prevent all occupational accidents and ill-health.
- Establishing acceptable guidelines to manage occupational injuries and potential hazardous exposures within the Bank's premises.
- Involving employees through the OHS management system to effectively manage contemporary health and safety concerns in the Bank.
- Domesticating and cascading Occupational Health and Safety (OHS) practices, functions, and processes.
- Evaluating our health, safety and environmental performance through audits, reports and

communicating the reports to all stakeholders and interested parties towards continual improvement.

Our commitment to providing a safe and healthy working environment is reflected in our comprehensive OHS policy, which addresses a wide range of workplace safety and health concerns as shown in the table below.

Table 21: Occupational Health and Safety Policy Areas and Description.

OHS Policy Area	Description
Alcohol and Drug Policy	Maintains a strict alcohol and drug-free workplace. Employees and visitors are prohibited from being under the influence of illegal narcotics, alcohol, or any psychoactive substance while on company premises.
First Aid and Emergency Preparedness	All employees are encouraged to be familiar with the use of first aid kits, which are available at every branch location and head office location. Severe injuries should be immediately evacuated to the nearest medical facility.
Ergonomics	Adheres to ergonomic standards in the design and arrangement of workstations to promote worker productivity, safety, and health.
Hazard Prevention and Reporting	Warning signs are prominently displayed to alert individuals to potential hazards. All employees are required to immediately report any occupational injury, accident, or near miss to the Safety Officer or their supervisor via the Infopool platform.
Emergency Evacuation Procedures	Established emergency evacuation procedures, including fire drills, to ensure the safety of employees and visitors in the event of an emergency.
Priority Health and Safety Domains	Prioritizes contemporary health and safety issues, such as the COVID-19 pandemic and other health-related challenges specific to the financial industry.

The Bank is committed to maintaining high standards in health and safety management, as shown in the Bank's certification by the British Standard OHSAS 18001 on Occupational Health and Safety Management Systems in 2018, which was upgraded to ISO 45001 in 2020. The Bank was recertified as compliant with these standards in 2022. The Bank is also a member of the British Safety Council, a UK Occupational Health and Safety Standards awarding body.

We have established clear targets and metrics to monitor our progress towards achieving our OHS objectives, which are integral to our overall sustainability strategy. A strong OHS performance contributes to a more engaged and productive workforce, reduces operational risks, and enhances our reputation as a responsible employer.

Monitoring and Reviewing Occupational Health and Safety Targets

Fidelity Bank is committed to maintaining a safe and healthy work environment for all employees. Our OHS targets are aligned with our strategic goals and legal or regulatory requirements.

Employee Safety Improvement

To measure employee safety performance, we use the Lost Time Injury Frequency Rate (LTIFR). Our target is to achieve a 20% reduction in LTIFR annually, compared to the previous year. Progress is assessed quarterly, with interim targets set for each quarter.

During the reporting period, Fidelity Bank recorded zero fatalities resulting from work-related injuries. There were no high-consequence injuries reported, and both the number and rate of recordable injuries remained below 1.0 per 100,000 hours worked. The Bank also achieved an estimated 25% reduction in its Lost Time Injury Frequency Rate (LTIFR) compared to 2023.

This demonstrates a positive trend in reducing workplace injuries. No revisions to the target were made during the reporting period as the bank maintained steady progress toward its goal.

We will continue to monitor our OHS performance closely and implement necessary measures to further improve workplace safety and achieve our targets.

Compliance with OHS Regulations
Fidelity Bank prioritizes compliance with all applicable Occupational Health and Safety (OHS) regulations. We conduct regular audits to assess our compliance and identify areas for improvement. Our target is to achieve and maintain a high level of compliance with OHS regulations.

During the reporting period, three OHS regulatory compliance audits were conducted. We achieved 95% compliance with OHS regulations, with any identified areas for improvement addressed promptly.

Initially, our target was to achieve 100% compliance. However, due to unforeseen challenges in certain areas, we revised the target to 98% compliance.

We conduct regular audits to ensure ongoing compliance, along with periodic reviews to track progress. We remain committed to continuous improvement in our OHS compliance performance.

Employee Training and Awareness
A well-informed and engaged workforce is crucial to maintaining a safe and healthy work environment. We are committed to providing comprehensive OHS training and awareness programs to all employees.

Our target is to ensure that 100% of employees receive OHS training and awareness sessions quarterly. We track the percentage of employees trained to monitor our progress. During the reporting period, 100% of OHS Staff received training on OHS procedures.

We conduct regular training sessions to ensure timely completion, with ongoing tracking of training progress. We achieved a 98% training completion rate, indicating improved employee awareness and engagement in OHS practices. No revisions were made to the target as the bank maintained high training completion rates throughout the reporting period.

These targets demonstrate Fidelity Bank's commitment to improving Occupational Health and Safety (OHS) performance and complying with regulatory requirements. The Bank regularly evaluates progress against these targets, identifies areas for improvement, and makes necessary revisions to ensure continued alignment with strategic goals and legal obligations.

3.3.3. Affected communities (S3)
Refer to ESRS 2 SBM-2 and SBM-3 for details on stakeholders' views and insights and a description of our material impacts, risks and opportunities and their interaction with strategy and business model.

3.3.3.1. Policies
S3-1 – Policies related to affected communities
Fidelity Bank acknowledges and supports communities affected by our products, operations, and business relationships. Our Human Rights Policy, guided by rules and regulations of the Constitution of the Federal Republic of Nigeria, 1999 (particularly Chapter 4), details our commitment to upholding human rights standards in our business operations, ensuring that stakeholders' complaints are dealt with in a responsive, efficient and effective manner. This Policy was developed in line with identified risks and impacts on affected communities.

In addition, our Environmental and Social Risk Management (ESRM) Policy guides the Bank's Environmental and Social (E &S) assessments of lending customers. In line with this framework, we apply the IFC Performance Standards (PS) and the Equator Principles (EP) where applicable. Specifically, IFC PS7, which addresses indigenous peoples, is taken into account when assessing customers, depending on the nature of their business and sector. We are conscious of the potential impacts of our customers' activities on local communities and incorporate relevant considerations from IFC PS4 (Community Health, Safety, and Security) into our due diligence processes.

As part of our approach, Fidelity Bank engages affected communities through various channels, such as Truserve, CSR initiatives, forums, and other platforms to identify and address concerns they have. We remain committed to transparency, accountability, and inclusivity in our engagement with stakeholders.

3.3.3.2. Actions

S3-2 – Processes for engaging with affected communities about impacts

Our commitment to the communities where we operate is deeply ingrained in our values at Fidelity Bank. We recognize that our presence while offering valuable financial services, can also have both positive and negative impacts. Therefore, we are dedicated to engaging actively with these communities, understanding their unique needs and concerns, and contributing meaningfully to their sustainable development. This commitment is formalized in our approach to managing community impacts, which aligns with ESRS S3 and is built on core principles.

To facilitate effective engagement, we have channels through which affected communities report negative impacts. We engage these stakeholders through consultations, town hall meetings, surveys, or community forums to understand their concerns. These engagements can be part of broader Corporate Social Responsibility (CSR) initiatives, ensuring that any data privacy concerns are also addressed effectively. We also promote collaboration amongst units in the Bank to ensure effective engagement with affected communities.

Our strategy for community engagement is multifaceted. It begins with building strong, positive relationships founded on trust and mutual respect. We believe that genuine engagement requires a deep understanding of the needs and concerns of local communities. We strive to minimize any potential negative impacts of our operations and, more importantly, to actively contribute to sustainable development. This includes promoting financial inclusion and economic empowerment, ensuring that our services are accessible and beneficial to all members of the community.

To translate these principles into action, we employ a range of strategies. Comprehensive stakeholder identification and mapping allow us to understand the diverse perspectives within our communities and target our engagement efforts effectively. We conduct thorough community needs assessments to gain a clear picture of the specific challenges and opportunities facing each community, enabling us to tailor our development programs accordingly. Open and regular communication and consultation with community members are essential, and we utilize various channels to facilitate this dialogue. We also understand the importance of collaboration and actively partner with local organisations to implement community development projects, leveraging their expertise and local knowledge.

Community Investment and Development Programs

Our community development programs focus on key areas that contribute to sustainable and inclusive growth.

Table 22: Our Key Areas of Investment in Line with UN SDGs

Key Area of Investment	Description	SDG Alignment
Education	Support for initiatives such as scholarships, school infrastructure development, and teacher training to empower future generations and foster human capital development.	SDG 4: Quality Education (Equitable access to quality education and lifelong learning) SDG 8: Decent Work and Economic Growth (Skilled workforce development)
Healthcare	Investment in healthcare infrastructure, access to medical services, and support for health awareness programs to improve community health and well-being.	SDG 3: Good Health and Well-being (Healthy lives and well-being for all, access to health services, reduced mortality)
Financial Literacy	Provision of financial literacy training to community members to enhance economic management skills and promote financial inclusion.	SDG 1: No Poverty (Empowering economic management and economic security) SDG 8: Decent Work and Economic Growth (Participation in the formal economy)
Entrepreneurship & Skills Development	Support for programs to create economic opportunities and empower individuals, including youth to build sustainable livelihoods.	SDG 8: Decent Work and Economic Growth (Sustained, inclusive, and sustainable economic growth, full employment, and decent work) SDG 1: No Poverty (Pathways out of poverty through economic empowerment)
Environmental Protection	Investment in projects such as tree planting, renewable energy, waste management, and water conservation to contribute to a healthy and sustainable environment.	SDG 13: Climate Action (Combating climate change and its impacts) SDG 6: Clean Water and Sanitation (Availability and sustainable management of water and sanitation) SDG 15: Life on Land (Protecting, restoring, and promoting sustainable use of ecosystems)

Mechanisms for Addressing Community Grievances

Maintaining open and transparent communication with the communities we serve is a priority for us. A key component of this is our established grievance redress mechanism, designed to provide clear and accessible channels for community members to voice their concerns and have them addressed effectively. We offer multiple avenues for submitting complaints, recognizing that different people have different preferences. These include traditional methods like visiting our bank branches in person and using suggestion boxes, as well as more modern options like dedicated phone hotlines, email, and an online portal. We want to make it as easy as possible for community members to reach us.

We regularly monitor the effectiveness of our grievance redress mechanism as a whole, and we review our procedures periodically to ensure they remain fair, efficient, and responsive to the evolving needs of the community. We believe that this ongoing review and improvement process is critical.

Ultimately, we see our grievance redress mechanism as more than just a way to manage complaints. It is a valuable channel for community members to share their perspectives, provide feedback, and contribute to the continuous improvement of our operations and services. By actively listening to and addressing community concerns, we can build stronger relationships, foster greater trust, and work together to create a more positive impact.

S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

We are committed to addressing and remediating the negative social and environmental impacts that may arise from our operations or business relationships. While the nature of our business as a financial institution results in limited direct interactions with communities that result in complaints, we ensure that appropriate mechanisms are in place for communities to raise concerns both in relation to our operations and in connection with the activities of businesses we finance. To support this commitment, we:

- Maintain grievance channels through various platforms such as stakeholder forums, dedicated email addresses, and in-person visits to our branches or offices.
- Provide avenues for communities to report concerns related to the environmental or social impacts of our clients' activities, particularly in sectors with elevated risk profiles.
- Collaborate with the Nigerian Conservation Foundation (NCF).
- Partner with Lagos State Government (LASG) on sustainability initiatives.
- Raise awareness among customers, employees and other stakeholders to discourage in activities that may negatively impact the environment and surrounding communities.

Through these remediation processes, we aim to drive beneficial and sustainable social and environmental outcomes.

S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions.

To assess the impact of our operations on affected communities, we conduct one-on-one interactions, feedback sessions, social media reviews, etc.

To track, address, and resolve complaints and concerns raised by affected communities, the Bank utilizes a centralized grievance management system, response tracking tools, and periodic feedback loops to ensure timely resolution of complaints.

As part of our approach to managing risks and pursuing opportunities, we collaborate with the Lagos State Government (LASG) on tree planting initiatives to support carbon sequestration. We also partner with the Nigerian Conservation Foundation (NCF), where we are a gold member to support conservation efforts such as tree planting and nature walks aimed at reducing pollution and promoting environmental awareness.

In addition, we launch health awareness campaigns, enhance safety infrastructure, and address environmental hazards through targeted waste management initiatives. Our material risks relating to affecting communities are addressed through comprehensive risk assessment frameworks, mitigation planning, and strict adherence to international standards such as ISO 140001 and ISO 45001.

3.3.3.3. Metrics and Targets

S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

We have established targets to reduce negative impacts, advance positive impacts, and effectively manage material risks and opportunities. Specifically, the target is to strive for a 33.6% reduction in carbon emissions in our operations by 2028, against our 2023 baseline, and to achieve net zero emissions by 2050 across our operations and portfolio.

To advance our positive impact on communities, we seek to increase community outreach programs by 30% over the next three years, with a focus on key areas such as Environmental Sustainability & Conservation, Quality Education, Health & Social Welfare, and Youth Empowerment.

In the area of financial inclusion, we aim to boost account ownership among underrepresented segments and sectors by 10% annually, using digital solutions and financial literacy initiatives.

Additionally, we aim to increase our loans to small businesses by 10% annually to support local entrepreneurship and enable the transition of MAMEs from the informal to the formal sector.

These efforts help us manage risks and opportunities related to governance integrity and community impact. Progress is tracked through key performance indicators (KPIs), including reductions in incident rates, community satisfaction scores, and insights from our annual sustainability reports.

Local Communities
We have made remarkable progress in enhancing the wellbeing and development of local communities. Through a variety of initiatives, such as Fidelity Food Bank, donation of laptops and education materials to schools, we have supported local businesses, funded educational programs, and sponsored community events. Our dedication to fostering sustainable growth in communities remains steadfast, and we will continue to prioritize and expand our community outreach efforts. Our goal is to increase community outreach programs by 30% over the next three years.

3.3.4. Consumers and end-users (S4)

As a financial institution, we understand that the quality of our banking services and the accessibility of our financial solutions has a high impact on the economic well-being and financial security of our customers. At Fidelity Bank, we recognize that responsible banking goes beyond transactions as it shapes livelihoods, empowers communities, and drives inclusive growth among all and across our operations. Our commitment to customer-centric innovation and financial inclusion will ensure that individuals and businesses have access to transparent, secure, and responsible financial products.

We have continued to leverage digital banking solutions, financial literacy programs, and other tailored lending solutions. We empower consumers to make informed financial decisions while mitigating risks associated with financial exclusion.

Our commitment to our customers is fundamental to our success at Fidelity Bank. We understand that they are central to everything we do, and we strive to provide them with not only excellent service, but also fair treatment and responsible financial products. This commitment is reflected in our approach to customer relationship management, which is aligned with ESRS S4 and encompasses key strategic pillars.

As a responsible organization, we are empowered to safeguard our customer interests, ensure data privacy, fair lending practices, and responsive customer engagement. The continuous improvement in our services with other emerging solution, enhanced consumer protection policies, and proactive stakeholder engagement has made us to continually foster trust, build resilience, and long-term financial well-being for categories of our end-users.

3.3.4.1. Policies

S4-1 – Policies related to consumers and end-users
At Fidelity Bank, we are deeply committed to ensuring transparency, fairness, and inclusivity across all our financial products and services. We have a robust Consumer and End-user Policy Framework that supports our mission to protect customer interests and promote responsible banking. Through our sustainability and related policies, we ensure customers receive clear, accurate, and timely information to help them make informed decisions and mitigate financial risks. We also prioritize access to banking services for underserved populations, including persons with disabilities, rural communities, and small-scale entrepreneurs.

We ensure that our bank prioritises access to banking services for underserved populations including persons with disabilities, rural communities, and small-scale entrepreneurs. Additionally, our Data Protection /Privacy Policy safeguards consumer data in compliance with local and international data protection regulations. We adhere to principles such as data minimization, encryption, and consent management, while using transparent privacy notices to engage and educate customers about our data handling practices. Our Sustainability Strategy and Implementation Framework, and Credit Risk Management Policy helps us ensure that no customer is misled or discriminated against in credit decisions, emphasizing our focus on responsible and customer-centric financial practices.

We have a dedicated training program that equips our employees with the knowledge and tools required to protect consumer interests. This includes regular sessions on Anti-Money Laundering (AML), Counter-Terrorism Financing (CTF), data protection and consumer protection principles, all aimed at fostering ethical conduct and ensuring regulatory compliance. We have added consumer rights laws, anti-discrimination laws, advertising standards, and Central Bank of Nigeria (CBN) guidelines across our operations and we also work closely with our Product Development team to evaluate the ethical impact of new financial products and ensure we remain compliant with financial inclusion and advertising standards.

We work to ensure that we protect the data of every customer as this a key priority to us as a bank. We protect consumer data through policies that include data minimization, encryption, and clear consent management. We also use transparent privacy notices to educate and engage consumers about our data protection practices. We consistently work to promote ethical behavior and prioritize underserved communities.

We have financial inclusion policies that drive initiatives such as youth empowerment projects, skill acquisition training, and community workshops. These initiatives are reviewed and approved by our Executive Committee (EXCO).

We have adopted a Stakeholders' Management and Communication Policy, which ensures transparent and accurate communication with stakeholders including consumers about our sustainability initiatives, programs, and potential impacts. This policy is essential to building trust and fostering an inclusive and respectful customer experience. In Investment Management, we follow our Sustainable Banking and Compliance Policies to ensure all investment decisions align with ethical and regulatory standards that protect consumers and promote social welfare. Our Tax Management practices are guided by principles of transparency, accuracy, and compliance with applicable tax laws and regulations, ensuring integrity in all tax-related activities adheres to anti-bribery and anti-corruption policies. In Marketing and Communication, we integrate consumer feedback is integrated into our sustainability messaging to ensure we elicit information on stakeholder interests and align our communications accordingly.

At Fidelity, we have curated policies that prioritize human rights, customer privacy, sustainable procurement, and sustainable banking. These policies guide our decisions and ensure that we address competing priorities fairly and transparently. We also follow established procedural manuals to ensure that consumer and stakeholder needs are balanced in all procurement decisions.

Our Occupational Health & Safety Management System Policy, Green Finance Framework, Sustainability Strategy and Implementation Framework and other related policies guide our efforts to ensure the health, safety, and environmental well-being of our consumers. We continuously update our policies based on feedback from ESG-focused questionnaires, customer forums, and social media engagement. Specifically, the Green Finance Framework plays a key role in preventing greenwashing by ensuring that financial products are transparently aligned with credible environmental and social impact criteria. Finally, we ensure that these policies are well-integrated into our operations through training programs, supplier codes of conduct, and annual ESG disclosures.

We are committed to ensuring that our banking practices protect consumers and end-users while fostering trust, transparency, and ethical conduct.

3.3.4.2. Actions

S4-2 – Processes for Engaging with Consumers and

End-Users About Impacts

Customer engagement is key and at the heart of our strategy, this ensures that our consumers have opportunities to provide input on our banking services. We collect feedback through various channels, including in-person consultations, digital platforms, mobile applications, and social media. This feedback helps us tailor our services to meet evolving customer needs and expectations.

We gather feedback from our employees on consumer and end-user concerns through structured surveys. We incorporate these insights into our strategy to improve services and address end-user needs effectively. We also conduct regular Thursday lectures and E-Learning Management System (ELMS) sessions to build our employees' capacity to understand and respond to consumer needs. In addition, we gather feedback from consumers and end-users through multiple channels, including market activations, customer and agent forums, and questionnaires. We make process improvements based on market feedback and realities to enhance our financial inclusion strategies. We also consider Nigeria's unique challenges such as the security situation, political climate, and limitations faced by women in northern Nigeria in our strategic decisions.

S4-3 – Processes to Remediate Negative Impacts and Channels for Consumers and End-Users to Raise Concerns

To address customer concerns swiftly, we have implemented a 24/7 customer care centre for reporting, service disruptions, complaints or other immediate concerns through hotlines and mobile applications. Customers also have access to self-service options that allow for issue resolution without visiting a branch. We maintain a dedicated consumer protection unit responsible for investigating complaints and ensuring adherence to industry standards. To enhance transparency, we offer a complaints dashboard that tracks the number of complaints, response times, and resolutions, updated monthly. Escalations can be managed through a self-service system, with most issues resolved within 24 hours of being reported.

Our employees are at the heart of our customer-centric approach. We invest in regular training programs for our staff, focusing on customer service best practices, ethical conduct, and responsible lending practices. This ensures that our employees are equipped to deliver exceptional service and uphold the highest standards of integrity.

Our employees are empowered to address and remediate negative impacts by listening to concerns, offering timely solutions, and escalating issues as needed. Fidelity Trueserve is an accessible channel for consumers and end-users to raise concerns directly to our workforce.

S4-4 – Taking Action on Material Impacts on Consumers and End-Users, and Managing Risks and Opportunities

We address material impacts on consumers by mitigating risks and creating opportunities. Our Financial Literacy and Inclusion Program educates customers annually on responsible borrowing, investment planning, and digital banking security. We continuously evaluate our responsible lending system to prevent customers from taking on excessive debt, reducing the risk of financial distress. Investments in digital banking technology ensure accessibility for elderly customers, persons with disabilities, and underserved communities. To combat cybersecurity risks, we have invested in advanced fraud detection systems and consumer protection technologies. These initiatives are monitored using KPIs such as customer satisfaction ratings, financial inclusion indices, and service accessibility scores to ensure effective implementation and impact.

The Bank ensures that internal policies remain aligned with applicable laws and regulatory requirements, reinforcing transparency, accountability, and stakeholder trust. To support effective implementation, we conduct regular staff training on key compliance topics, including data privacy, anti-corruption, and product safety. These initiatives are designed to enhance the quality of service delivery while safeguarding consumer interests and upholding our commitment to responsible business practices. An Annual Policy Attestation exercise reinforces compliance and awareness of key policies. These actions are designed to mitigate risks, enhance customer satisfaction, and ensure the effectiveness of measures taken to safeguard consumer interests.

In addition, to address material impacts on consumers related to data protection, we enhance security measures like encryption, strong authentication, and continuous monitoring. Data anonymisation and improving user consent processes further enhance consumer trust. We follow an incident response plan in case of data breaches or misuse, and consumer concerns can be reported through hotlines, online portals, customer service channels, or email. We engage regulators to ensure compliance with all applicable laws.

We employ multiple methods to collect and integrate consumer feedback, including surveys, frontline staff insights, and user research. We also facilitate communication with consumers through various channels such as email, in-branch reporting, and online portals. We continuously review feedback through the Infopool CRM system, which is supported by cross-functional meetings to align actions with sustainability goals. Additionally, we engage in co-creation activities such as online idea platforms, pilot programs, and partnerships to shape sustainability strategies. To ensure effective remediation of concerns, we communicate updates through personalized notifications and public announcements. Regular performance reviews are conducted to assess the impact of actions taken and to identify areas for improvement in customer service.

Survey integration and feedback collection are key components of our communication strategy. Our Marketing and Communication team actively uses these methods to capture the interests and views of consumers and end-users, reflecting them in both internal and external communications. We ensure that our efforts to mitigate risks and maximize opportunities are communicated through Sustainability Reports, Annual Reports, TV commercials (TVCs), news stories, social media, press releases, and emails. This broad approach ensures that key messages reach diverse consumer segments.

We employ a comprehensive and structured set of metrics to monitor and enhance our engagement with consumers and end-users. These metrics are essential for driving improvements, ensuring compliance, and enhancing overall customer satisfaction.
We track customer satisfaction through feedback surveys and engagement platforms to measure sentiment and pinpoint areas for improvement.

Our financial inclusion indices allow us to assess how effectively we are reaching underserved populations, ensuring equitable access to our services. Service accessibility scores help us evaluate how easily various customer segments, such as the elderly, persons with disabilities, and rural communities, can navigate our digital platforms. We have heavily invested in complaint resolution timelines because it is a critical focus, we have a target of resolving standard complaints within 24 hours. In addition, our fraud and cybersecurity metrics assess the effectiveness of our investments in fraud detection systems and consumer protection technologies, ensuring proactive defense against cyber threats.

Our legal team monitors adherence to consumer rights laws, fair lending practices, and advertising regulations using structured metrics. Consumer related data is regularly reviewed to identify any discrepancies and ensure prompt corrections. Resolution rates of consumer protection claims and disputes are tracked to ensure timely engagement and issue resolution before escalation to litigation.

Data protection is managed using defined metrics for data protection which include the incident response time, breach frequency, and customer satisfaction scores related to privacy practices User opt-in rates for data privacy features and are also monitored. Audit outcomes are periodically reviewed to ensure the robustness of the data protection framework. Progress toward financial inclusion targets is monitored through regular Sustainable Banking Governance Committee (SBGC) meetings. Also, we assess the outcomes of initiatives and review positive case studies that highlight the impact of our efforts on consumers and end-users.

Employee development and engagement progress are tracked using key appraisals and Key Performance Indicators (KPIs). Metrics include training participation rates, improvements in customer satisfaction, and feedback from employee surveys to ensure staff are well-equipped to address consumer needs. Our customer experiences metrics include the Customer Satisfaction Index, Net Promoter Score (NPS), Customer Effort Rating, and customer adoption rates for digital banking channels. These metrics help us gauge customer sentiment and measure the impact of sustainability initiatives on consumer experiences.

Our Investment Management team uses key performance indicators (KPIs) to measure the social impact of our investment portfolio. These metrics include periodic evaluations of investment activities to ensure alignment with consumer protection standards and the monitoring of material social impacts through quarterly reports. Benchmarks based on our sustainable banking goals are used to assess our success in integrating consumer interests into investment strategies. The Tax Management team monitors tax-related practices using KPIs that track the timeliness and accuracy of tax payments, Tax Remittance Cut-off tracking, and performance indicators for mitigating tax-related corruption risks. These metrics ensure compliance and promote ethical tax practices.

Product development is an ongoing process, driven by the evolving needs of our customers. We strive to offer a diverse range of financial products and services, including those specifically designed for underserved segments of the population. We also recognise the importance of financial literacy and provide programs to help our customers improve their monetary management skills and make informed decisions.

We measure the impact of our communication efforts through regular appraisal and review meetings. These evaluations help us understand how our communications are perceived by consumers and how effectively they convey our sustainability actions and goals.

To monitor progress toward our Health, Safety, and Environmental (HSE) goals, we use ESG scorecards, third-party sustainability audits, and annual impact reports. Key metrics include carbon footprint reduction, the number of resolved ESG complaints, and customer satisfaction scores related to sustainability. Complaints are managed through a centralized grievance system, ensuring timely resolution through tracked KPIs.

Finally, we believe in clear and transparent communication. Our marketing and advertising materials are designed to be informative and accurate, providing customers with the information they need to make sound financial choices. Accessibility is another key priority. We are committed to ensuring that our bank branches and digital platforms are accessible to all customers, including those with disabilities. We believe that everyone deserves equal access to financial services, and we are continually working to improve accessibility across all our touchpoints.

3.3.4.3. Metrics and Targets

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

At Fidelity Bank, we have established strategic targets to enhance consumer welfare, reduce material risks, and leverage opportunities for inclusive growth. A key focus area is minimizing complaints related to product misrepresentation, ensuring that customers have a clear understanding of our financial products and services.

We are also committed to broadening the reach of our financial literacy initiatives, enabling more consumers to make informed financial decisions. As part of our digital transformation strategy, the Bank aims to expand access to mobile and online banking services for underserved communities, helping to bridge the financial inclusion gap.

In the area of cybersecurity, we continue to invest in advanced fraud detection technologies to strengthen consumer protection and reduce fraud-related complaints. These initiatives are subject to regular impact assessments to monitor progress and ensure the ongoing effectiveness of our customer protection strategies.

Our HR team has developed training and engagement targets to improve employee contributions in managing negative consumer impacts. Progress is measured through appraisals and Key Performance Indicators (KPIs), helping ensure continuous improvement in employee interactions with consumers. These initiatives foster better customer outcomes and stronger stakeholder relationships.

Our Compliance team is focused on strengthening compliance with consumer protection regulations and improving ethical standards for all financial services.

We have clear targets that promote transparency, responsiveness, and legal adherence, we aim to build trust and engagement with consumers while ensuring all consumer-facing activities meet regulatory standards. For example, our data protection targets include reducing data breaches, enhancing customer satisfaction with privacy practices, and increasing user participation in privacy features. These goals are designed to foster consumer trust and enhance the overall security framework for protecting customer data. We ensure that we take regular feedback reviews and updates to ensure our privacy policies and approach evolves with consumer expectations and regulatory changes. We remain committed to expanding financial services to underserved populations and empowering communities through tailored initiatives.

We have a clear customer experience targets that align with our sustainability goals, these include increasing satisfaction with products and services, growing the adoption of digital channels, and improving consumer awareness of alternative banking options. Progress is monitored through customer feedback, engagement metrics, and regular reporting to stakeholders. We have clearly defined targets to manage social risks and opportunities tied to consumer and end-user outcomes. These goals, outlined in our Sustainable Banking documents, are tracked through quarterly reports and performance evaluations. We work to ensure that investments positively contribute to social outcomes and align with consumer protection standards.

To manage material risks and enhance positive outcomes in tax governance, we have stablished Standard Operating Procedures (SOPs) and Key Performance Indicators (KPIs) aimed at ensuring timely and accurate tax payments. These targets are designed to mitigate the risk of non-compliance, improve operational efficiency, and strengthen overall tax management practices. Our Marketing and Communication team works to effectively communicate sustainability initiatives and their benefits to consumers and end-users. We have established specific resolution time targets to address concerns raised by consumers and end-users related to procurement and corporate services activities. These goals ensure that any negative impacts are promptly managed, leading to more effective service delivery and consumer satisfaction.

Furthermore, our HSE goals are tracked using Environmental, Social, and Governance (ESG) scorecards, third-party sustainability audits, and annual impact reports. Key metrics include carbon footprint reduction, the number of resolved ESG complaints, and customer satisfaction with sustainability initiatives. We use a centralized grievance system to ensure complaints are resolved in a timely manner, monitored through clear KPIs. All our targets are comprehensive and measurable as this would help to continually manage risks, advance positive outcomes, and create more meaningful engagement with consumers and other end-users.

Key Metrics

Data Security and Customer Privacy

In today's digital age, data security and customer privacy are of critical importance, so protecting our customers' information, complying with all relevant regulations, and continuously improving our data protection practices is vital.

Monitoring Data Security and Privacy

To effectively manage data security and customer privacy, we utilize a comprehensive set of metrics to monitor our performance and identify areas for improvement. These metrics encompass various aspects of data security and privacy, including tracking the number of data breaches and security incidents involving customer data, enabling us to identify vulnerabilities and assess the effectiveness of our security controls.

We also monitor our adherence to data privacy regulations such as the Nigeria Data Protection Act (NDPA) and the Nigeria Data Protection Regulation (NDPR) to ensure we meet our legal obligations.

We assess customer trust and preferences regarding the use of their data by tracking the percentage of customers opting into data-sharing programs. To ensure continuous improvement, we track and analyze privacy-related complaints to identify areas where we can enhance our processes and ensure timely resolution.

The implementation and effectiveness of data security measures, such as encryption and access controls are closely monitored to assess our progress in enhancing data protection. Regular audits help us assess our compliance with data security standards and regulations, and we track our remediation efforts to address any identified gaps. By tracking the percentage reduction in privacy-related incidents over time, we demonstrate our progress in reducing data security incidents and improving our overall security posture.

Moreover, we monitor our progress towards achieving privacy-related targets set by the bank or required by law/regulation. To ensure our employees are knowledgeable about data protection best practices, we track the completion rates of data privacy training programs.

Targets for Customer Privacy

We have established specific targets to guide our efforts in managing customer privacy:

- **Regulatory Compliance:** Ensure continuous compliance with the NDPA, NDPR, and all other applicable privacy regulations throughout the reporting year, with quarterly monitoring and prompt communication of any regulatory updates.
- **Employee Training:** Implement a comprehensive Privacy Training Program. Ensure that all new employees complete mandatory data protection training within 90 days of onboarding, with periodic updates to training content based on feedback and changes in regulatory requirements

Approach for Monitoring and Review

We monitor our progress towards our data security and privacy targets through regular reporting of performance metrics to the Board of Directors and senior management on a quarterly basis. Our robust incident response plan helps manage and mitigate data security incidents, including thorough analysis to identify root causes and improve security controls.

We also engage external auditors to conduct independent assessments of our data security practices and pursue relevant certifications to demonstrate our commitment to data protection. Furthermore, we actively seek feedback from our customers and other stakeholders on our data privacy practices to ensure we are meeting their expectations and addressing their concerns.

Fidelity Bank employs a range of metrics to effectively measure and monitor data security-related risks and opportunities, ensuring alignment with regulatory requirements and strategic objectives. These metrics provide valuable insights into our performance in managing customer privacy-related risks and opportunities, enabling us to track progress towards established targets, identify areas for improvement, and ensure compliance with relevant laws and regulations.

By actively monitoring our performance, setting ambitious targets, and continuously improving our practices, Fidelity Bank aims to maintain the highest standards of data security and customer privacy, safeguarding our customers' information and upholding their trust.

Targets Required by Law or Regulation

In addition to our voluntary targets, we also comply with any sustainability-related targets required by law or regulation. This includes targets related to:

- **Environmental compliance:** Meeting environmental permits and regulations related to emissions, waste management, and resource use.
- **Anti-money laundering and combating the financing of terrorism (AML/CFT):** Complying with all AML/CFT regulations and reporting requirements.
- **Data privacy:** Adhering to data protection laws and regulations, such as the Nigeria Data Protection Regulation (NDPR).

3.4. Governance

3.4.1. Business conduct (G1)

3.4.1.1. Policies

For details on the roles and responsibilities of administrative, supervisory, and management bodies, refer to GOV 1-General Disclosures Materiality

Our Double Materiality Assessment (DMA) identified two material impacts related to business conduct, one positive and one negative. We describe these impacts below, with their corresponding risks and opportunities.

Potential Positive Impact and corresponding opportunity: Compliance violations monitoring by management, which leads to increased public trust and confidence in its compliance programs and business practices. This also attracts more investments to further the Bank's operations.
Potential Negative Impact and corresponding risk: Compliance violations are not monitored by the management, leading to decreased public trust and confidence in the Bank's compliance programs and business practices. This could also lead to legal penalties and regulatory sanctions for misconduct.

G1-1– Business conduct policies and corporate culture
The Bank's business conduct is preserved through several policies that provide a strong ethical standing. We are committed to upholding our Code of Business Conduct and Ethics Policy, which clearly outlines our zero-tolerance approach to corruption, money laundering, bribery, abuse of office, and related offenses. This policy is shared with all employees at the beginning of each year and reinforced periodically, requiring each staff member to attest to their compliance.

We also have a Director's Code of Conduct that sets out standards each Director is expected to adhere to while conducting his/her duties. This document covers political contributions, whistleblower protection, insider trading, anti-money laundering, anti-bribery and corruption, gifts and hospitality, conflicts of interest, declaration of interest, and other focus areas. This is to ensure that all Directors comply with ethical principles in all transactions with and on behalf of the Bank. The Bank reviews the Director's Code of Conduct document every 3 years or as frequently as required.

All customer-facing staff undergo comprehensive training on our business conduct policies, ethics guidelines, and corporate culture. These trainings, which include Banking School Training, Induction Trainings, Thursday lecture series, Electronic Learning Management System (ELMS) and departmental organized trainings, emphasize the importance of ethical behavior in all customer interactions.

An Insider Trading Policy was developed to ensure compliance with the provisions of the Investments and Securities Act (ISA), Securities and Exchange Commission Code of Corporate Governance, and NGX Regulation Limited (NGX).

One of the objectives of this Policy is to ensure that the Bank's employees and Directors maintain utmost confidentiality on the information which they receive because of their position within the Bank. The Company Secretary oversees the adherence to this Policy in Directors' activities.

Anti-Bribery and Corruption (ABC) measures apply to all board members, subsidiaries, staff, vendors, and partners. In addition, a structured whistleblowing framework is in place to protect individuals who report unethical behaviour and to ensure such reports can be made without fear of retaliation. The channels via which stakeholders can raise concerns are highlighted in ESRS S2 and S3.

The Bank's Personnel Policies and Procedure Guide (PPPG) covers all areas of corporate governance which includes ethical business conduct and values. It incorporates Whistleblowing and Grievance Procedures, Data Protection, Confidentiality Policy, Dual Custodianship etc. To ensure compliance with these policies, we put various tools in place, such as integrity testing, mystery shopping, and mandatory annual staff attestation of relevant policies.

We understand the importance of reinforcing our ethical standards and corporate culture through internal communications, team meetings, and performance reviews. We ensure that ethical considerations are top-of-mind for all employees. Our engagement practices are always aligned and ensure that sustainable ways of banking are encouraged. We aim to achieve zero incidences of regulatory sanctions or penalties.

3.4.1.2. Actions

G1-2 – Management of relationships with suppliers
The Bank ensures collaboration among units to evaluate suppliers' sustainability performance.
We conduct due diligence, financial transparency requirements, adherence to anti-bribery guidelines, and regular monitoring, which are managed by different teams in the bank to ensure ethical supplier

interactions and adherence to anti-corruption policies.

We carry out supplier audits, ESG performance assessments, and contractual sustainability clauses to ensure suppliers' adherence to sustainability policies. We also consider third-party sustainability certifications n supplier evaluations. Non-compliant suppliers are subject to corrective action plans, re-evaluation, or contract termination. Support for improvement may be provided through sustainability capacity-building programs.

We ensure that suppliers and third-party vendors comply with the Bank's data protection standards through contract clauses, audits, and ongoing monitoring, to account for risks that could emanate from the supply chain activities.

G1-3 – Prevention and detection of corruption and bribery

To detect and report potential corruption and bribery incidents, we have put several mechanisms in place, such as:

- **Internal control/ Audit:** Our internal audit team regularly reviews customer-facing processes to identify vulnerabilities and assess the risk of corruption or bribery.

- **Whistleblower Platform:** Confidential whistleblower platforms for employees and customers to report any suspected wrongdoing.

- **Contact Centre:** Anyone can also call the contact center to make a report.

The Bank also uses monitoring systems, intrusion detection tools, and regular audits to detect unauthorized access, misuse, or bribery involving sensitive customer data. We have also stationed Closed-Circuit Televisions (CCTVs) in strategic locations within the work environment to capture not only intruders but staff movements and behaviors. The Bank prohibits cash gifts which guides the employees' relationships with our customers, as violation leads to termination of an employee's appointment.

We track and report our performance in preventing, detecting, and resolving ethical issues through:

- **Incident Reporting:** We maintain a record of all reported ethical incidents, including details of the investigation and resolution.

- **Key Performance Indicators:** We track Key Performance Indicators (KPIs) related to ethical conduct, such as the number of reported incidents, the time taken to resolve them, and the effectiveness of our training programs.

- **Regular Reviews:** We conduct regular reviews of our framework and adjust as needed.

- **Reporting to Senior Management:** We report regularly to senior management on our performance in preventing, detecting, and resolving ethical issues.

3.4.1.3. Metrics and Targets

G1-4 – Incidents of corruption or bribery

We are committed to maintaining the highest standards of integrity and transparency.
To ensure ethical practices within the Bank and across our value chain, we implement the Anti-corruption and Bribery Policy, Whistleblowing Policy, and our Code of Conduct. Our specific targets include:

- Conducting quarterly awareness trainings for employees at all levels on anti-corruption issues.
- Deploying an annual anti-corruption learning module requiring employees to read and acknowledge the Bank's anti-corruption policies.
- Improving whistleblower protections to encourage safe reporting and significantly increase the number of reported corruption cases through official channels.
- Achieving a 5% annual reduction in identified incidents of corruption.

During the reporting period, Fidelity Bank continued to demonstrate a strong commitment to anti-corruption through regular risk assessments, targeted training, and strict internal controls. Employees and board members received ongoing education on anti-corruption policies, supported by quarterly awareness sessions and an annual learning module. The Bank remains committed to whistleblower protections to promote safe reporting and enhance transparency. Our procurement practices incorporate rigorous checks, including vendor due diligence and multi-level payment approvals. There were no confirmed incidents of corruption during the reporting period, reflecting the effectiveness of these measures.

G1-5 – Political influence and lobbying activities

We have a non-partisan, zero-tolerance policy on engaging in political influences or lobbying activities. Our employees are not allowed to hold any political post while in the active service of the bank.
We do not initiate communications that are political in nature. The bank is very neutral in its communications. However, to ensure that we are transparent in reporting political contributions and lobbying activities, we employ the Central Bank of Nigeria's (CBN) guidelines on Politically Exposed Persons (PEPs), Code of Business Conduct and Ethics, etc.

G1-6 – Payment practices

In promoting fair and timely payment practices, we ensure that employees are paid without fail on or before the 23rd of every month. If the agreed date is on the weekend, the salary is paid on the last working day before the payday.
Our suppliers are paid unfailingly on an agreed date for services rendered to the bank.

To monitor customer satisfaction with payment-related practices, we conduct:

- Post-Transaction Surveys: We conduct surveys after transactions to gauge customer satisfaction with the payment process.
- Customer Service Feedback: We track feedback received by our customer service team related to payment issues or concerns.
- Social Media Monitoring: We monitor social media for mentions of our bank and any complaints about payment-related practices.

Taxation

Fidelity Bank recognizes responsible tax management as a crucial element of our sustainability strategy. We are committed to complying with all applicable tax laws and regulations, promoting transparency in our tax practices, and engaging with stakeholders on tax-related matters.

Tax Strategy and Governance

Our comprehensive tax strategy, reviewed and approved by our Board of Directors every five years, guides our approach to tax compliance and ensures alignment with our overall business and sustainable development strategies. This strategy encompasses proactive measures to identify and mitigate potential risks, such as regular tax scanning and assessments. We also make sufficient tax provisions to accurately reflect tax liabilities in our financial statements and have strengthened our tax governance frameworks to provide effective oversight and management of tax-related risks and opportunities.

Tax-Related Risks and Opportunities

While we acknowledge potential tax-related risks, such as penalties for non-compliance and potential damage to our corporate image and stakeholder trust, we also recognize opportunities to optimize tax efficiency through eligible tax deductions and leverage available tax incentives to support sustainable investments and initiatives.

Impact of Tax on Stakeholders

Fidelity Bank understands the impact of tax on various stakeholders. Inadequate tax payments can negatively affect public finances, while over-provisioning or overpayment of taxes can reduce shareholder returns and impact employee net income.

Mitigating Tax-Related Risks and Enhancing Opportunities

To mitigate these risks and enhance opportunities, we are committed to continuously monitoring changes in tax laws and regulations, strengthening employee engagement initiatives to foster a culture of tax compliance, and diversifying investment strategies to enhance long-term shareholder value.

Tax Governance, Control, and Risk Management

Our tax governance and control framework involve developing and implementing tax policies approved by both management and the Board. Tax compliance is embedded within our organisation through statutory obligations and comprehensive policy guidelines. Our compliance unit and internal audit department play crucial roles in monitoring and evaluating tax framework compliance, ensuring any deviations are addressed promptly. Internal audit processes include reviewing previous audit exceptions to ensure they have been regularized before subsequent audits.

Stakeholder Engagement

We recognize the importance of engaging with stakeholders on tax-related matters and are committed to providing transparent and accessible information about our tax practices. We communicate openly with stakeholders on tax-related issues and address their concerns in a timely and responsive manner. Furthermore, we collaborate with tax authorities and other stakeholders to promote responsible tax practices and contribute to a fair and efficient tax system.

Monitoring and Review

Fidelity Bank employs specific metrics to measure and monitor tax-related risks and opportunities.
We regularly assess our progress towards achieving targets to ensure compliance with legal requirements and optimize tax strategies for improved financial performance. Our key targets include maintaining a competitive Effective Tax Rate (ETR) at or below the industry average, minimizing tax infractions and penalties, ensuring compliance with tax disclosure and regulatory requirements, and upholding adequate tax provisions with timely remittances to relevant authorities on an annual basis.

In 2023, Fidelity Bank maintained a strong tax governance framework focused on compliance, transparency, and efficiency. The Bank ensured timely and accurate filing of tax returns, upheld adequate tax provisions, and met remittance obligations to relevant authorities, without incurring penalties or infractions.

The Bank achieved a Profit Before Tax of ₦385.2 billion, with an income tax expense of ₦96.81billion, representing a significant increase from ₦24.81 billion in the previous year. This reflects the Bank's continued commitment to responsible tax practices and fiscal accountability.

Through continuous monitoring and alignment with applicable tax regulations, Fidelity Bank sustained an Effective Tax Rate that remained competitive and in line with industry benchmarks. The Bank also prioritized full compliance with evolving disclosure requirements, reinforcing its commitment to responsible tax management.

These efforts demonstrate Fidelity Bank's focus on minimizing tax-related risks while supporting long-term financial performance and maintaining stakeholder trust.

3.5. IFRS S1 and S2

3.5.1. Governance (IFRS S1.27; IFRS S2.5-7)

Oversight of Sustainability-Related Risks and Opportunities

Fidelity Bank prioritizes exemplary sustainability governance, ensuring rigorous oversight, execution, and ongoing enhancement of its sustainability strategy. As a publicly listed entity on the Nigerian Exchange (NGX), we operate in strict adherence to the Nigerian Code of Corporate Governance, recognizing the crucial role of robust governance in protecting the interests of all stakeholder - customers, employees, shareholders, and communities. This commitment is further solidified by the proactive adoption of IFRS Sustainability Disclosure Standards, demonstrating a dedication to ethical conduct and leading industry governance practices.

The bank's operational integrity is anchored in a comprehensive corporate governance framework. This framework comprises detailed codes and rules that address key governance aspects, including board composition and quality, board performance evaluation, conflict of interest management, and the integration of sustainability principles. These regulatory instruments, alongside the Bank's Memorandum and Articles of Association, Board Committees, and Management Committee Charters, establish a solid foundation for responsible governance. Fidelity Bank firmly asserts that strong leadership and effective governance are indispensable for achieving sustainable growth and generating long-term value for all stakeholders.

Board Oversight

The Board of Directors plays a central role in overseeing sustainability-related risks and opportunities, including those related to climate. The Board is responsible for setting the strategic direction on sustainability matters and for ensuring their integration into Fidelity Bank's overall business strategy. Specifically, the Board Risk Management Committee (BRMC) provides dedicated oversight of both sustainability and climate-related risks and opportunities, ensuring they are effectively identified, assessed, and managed within the company's enterprise risk management framework. The Board evaluates sustainability performance and communicates findings to stakeholders, ensuring transparency and accountability. Fidelity Bank is committed to aligning with both national and international standards in its approach to sustainability governance, maintaining consistency with globally recognized frameworks and regulatory requirements.

BRMC Composition and Expertise

The BRMC comprises 22 members and is chaired by the Managing Director/CEO. For a detailed overview of its composition, please refer to Section 3.1.2 - Governance on page 44 of this report.

The members of the Board Risk Management Committee (BRMC) possess extensive knowledge of sustainability reporting, as well as broad understanding of various sustainability and climate-related issues. Fidelity Bank is committed to supporting the ongoing development of its board members by providing relevant education and training opportunities, ensuring they remain informed about emerging laws, regulations, and the evolving landscape of sustainability and climate-related risks and opportunities.

Management's Role in Overseeing Sustainability and Climate-Related Risks and Opportunities

The management team plays a critical role in translating the Bank's sustainability strategy into tangible actions and results. The Sustainable Banking Governance Committee (SBGC) is responsible for overseeing the implementation of the Bank's Sustainable Banking Policies and provides operational support to the Board Risk Management Committee (BRMC), particularly in relation to sustainability and climate related activities.

The Head of Sustainable Banking, reporting to the Divisional Head of Credit Administration and Sustainable Banking, leads the Bank's sustainability and climate related initiatives. The Head also provides regular updates on sustainability and climate related matters to the Executive Director and Chief Risk Officer as well as the Borad Risk Management Committee (BRMC).

The Sustainable Banking Team, working in close collaboration with departments across the Bank including credit appraisal, human resources, corporate services, product development, audit, operations, business units and other, is accountable for driving the execution of sustainability targets, initiatives and projects in alignment with Fidelity Bank's overarching sustainability goals.

Sustainable Banking Governance Committee

Our dedicated Sustainable Banking Governance Committee, led by the MD/CEO, with the Head of Sustainable Banking (HSB) as the Secretary is responsible for implementing the Board-approved sustainability strategy and integrating sustainability considerations into business operations and decision-making across all departments.

This approach enables us to effectively manage sustainability and climate-related risks and opportunities, drive our sustainability agenda, and contribute to a more sustainable future.

Sustainability Strategy and Commitment

Fidelity Bank integrates sustainability into its corporate strategy, focusing on environmental stewardship, social responsibility, and governance. The bank aims to create lasting value for stakeholders, including customers, staff, and investors, by addressing current challenges and preparing for future needs. This commitment extends beyond environmental concerns to include social responsibility and ethical business conduct.

In 2023, Fidelity Bank deepened its commitment to sustainability by becoming a signatory to the UNEP-FI Principles for Responsible Banking (PRB) and the United Nations Women's Empowerment Principles (WEP). These associations demonstrate the bank's proactive approach to integrating sustainability and climate-related goals into its core business strategy and daily operations. Furthermore, Fidelity Bank remains firmly committed to the UN Global Compact principles, emphasizing its dedication to human rights, labor rights, environmental sustainability, and anti-corruption initiatives.

Governance Structure and Oversight

Fidelity Bank has a robust governance structure that ensures effective oversight of sustainability and climate-related risks and opportunities. The Board of Directors plays a crucial role in setting the strategic direction and overseeing the implementation of sustainability initiatives. The Board ensures that management actions align with the bank's objectives and stakeholders' interests.

Fidelity Bank complies with the highest corporate governance standards and adheres to all full disclosure requirements and global best practices. The bank was awarded CG+, the highest rank under the Corporate Governance Rating System (CGRS), which screens quoted companies against prescribed best practices and standards. This rating reflects Fidelity Bank's commitment to high corporate governance standards and entitles them to special privileges in the stock market.

Fidelity Bank was the first Nigerian bank to publish an ISSB-compliant sustainability and climate report, demonstrating its leadership in the sustainability space.

Fidelity Bank's ESG Performance and IFRS S2 Governance Integration

Fidelity Bank has been recognized for its strong Environmental, Social, and Governance (ESG) performance, as evidenced by a recent survey commissioned by the Independent Project Monitoring Company (IPMC) Limited. Among 29 Nigerian banks assessed, Fidelity Bank secured fourth position with a score of 57.73%, highlighting the Banks commitment to integrating ESG considerations into our business strategy and operations. This recognition underscores Fidelity Bank's dedication to continuous improvement in sustainability practices and positions us among the leading banks in Nigeria for ESG performance.

Achieving a score of 57.73% reflects progress in embedding sustainability across the organization, including the integration of climate-related considerations in alignment with IFRS S2. This result demonstrates the Bank's ongoing efforts to incorporate sustainability into operational and strategic decision-making processes, reinforcing its long-term value creation and risk management framework.

Integrating IFRS S2 Governance Requirements:
In alignment with IFRS S2, which mandates specific disclosures on climate-related risks and opportunities, Fidelity Bank's governance framework for the 2024 sustainability report will reaffirm the following existing structures and practices:

- **Board Oversight:** The Board Risk Management Committee maintains clear oversight of climate-related risks and opportunities, ensuring these are integrated into strategic planning and risk management processes. This includes regular reviews of climate-related strategies, targets, and performance.
- **Sustainable Banking Governance Committee's Role:** The Sustainable Banking Governance Committee is accountable for implementing climate-related strategies and initiatives.
- **Risk Management Integration:** Climate-related risks are systematically identified, assessed, and managed as part of our overall enterprise risk management framework. The Board Risk Management Committee continues to play a pivotal role in ensuring that climate-related risks are considered in credit risk assessments, operational planning, and other key areas.
- **Disclosure and Transparency:** This report provides detailed disclosures on our climate-related governance, strategy, risk management, and metrics and targets, in full compliance with IFRS S2 requirements. This will include information on the Board's expertise in climate-related matters and how climate-related considerations are integrated into executive compensation.
- **Training and Capacity Building:** To support effective oversight and implementation, Fidelity Bank will continue to provide training and educational opportunities for our Board members and management on climate-related issues and IFRS S2 requirements.

This recognition reinforces our commitment to sustainability and responsible banking. We believe that strong ESG and climate-related performance, guided by robust governance, is essential for building a resilient and successful business, creating long-term value for our stakeholders, and contributing to a more sustainable future for Nigeria. We will continue to enhance our ESG practices and disclosures, strengthening our leadership in sustainable banking in Nigeria and expanding our impact beyond, with a focus on meeting and exceeding the governance requirements of IFRS S2.

3.5.2. Strategy (IFRS S1.28–42; IFRS S2.8-22)

Sustainability-Related Risks and Opportunities:
At Fidelity Bank, we recognize the profound impact that sustainability-related risks and opportunities can have on our long-term prospects. In accordance with IFRS S1, we have conducted a thorough assessment of these factors, considering their potential effects across various time horizons. This assessment is a cornerstone of our strategic decision-making process, ensuring that sustainability is deeply embedded within our core business strategy.

Defining Time Horizons
To effectively analyze and address sustainability and climate-related risks and opportunities, we have established the following time horizons:

Short-term:
0 - 5 years

Medium-term:
5 - 10 years

Long-term:
10 - 40 years

These time horizons are directly aligned with our business planning cycles and the horizons employed for strategic decision-making guiding resource allocation and prioritization of initiatives.

Sustainability-Related Opportunities
Fidelity Bank recognizes the significant opportunities that sustainability presents, both for our business and for society. We are committed to capitalizing on these opportunities to drive innovation, enhance our performance, and contribute to a more sustainable future.

Table 23: Sustainability-Related Opportunities

Opportunity Area	Specific Opportunity	Description	Potential Benefits
Sustainable Investments	Growing demand for sustainable investment products and services	Investors are increasingly seeking investment options that align with their values and contribute to positive environmental and social outcomes.	Attract new clients and assets under management, generate strong financial returns, enhance brand reputation.
	Developing and offering innovative sustainable investment solutions	Create new investment products and services that focus on ESG factors, impact investing.	Diversify product offerings, meet evolving investor needs, position Fidelity Bank as a leader in sustainable finance.
Green Finance and Lending	Expanding green finance and lending portfolios	Increase financing for projects and businesses that contribute to environmental sustainability, such as renewable energy, energy efficiency, and sustainable agriculture.	Support clients in their transition to a low-carbon economy, mitigate climate-related risks, contribute to a cleaner and more resilient economy.
	Developing green lending criteria and frameworks	Integrate ESG factors into credit risk assessments and lending decisions.	Reduce environmental and social risks associated with lending activities, attract responsible borrowers, enhance the bank's sustainability profile.
Innovation in Sustainable Products	Developing innovative and sustainable financial products and services	Create new products and services that promote financial inclusion, sustainable consumption, and responsible business practices.	Expand market reach, meet the needs of underserved communities, enhance brand reputation as a sustainability leader.
	Integrating sustainability into existing product offerings	Incorporate ESG considerations into existing financial products, such as mortgages, loans, and insurance.	Enhance the value proposition of existing products, attract environmentally and socially conscious customers, contribute to a more sustainable financial system.

Renewable Energy Investments	Investing in renewable energy projects	Finance the development and deployment of renewable energy technologies, such as solar, wind, and hydropower.	Reduce operational costs through energy efficiency, contribute to a cleaner energy future, enhance the bank's environmental performance.
	Supporting the growth of the renewable energy sector	Provide financing and advisory services to businesses operating in the renewable energy sector.	Foster the growth of a key industry for sustainable development, create new business opportunities, contribute to climate change mitigation.
Sustainable Supply Chain	Promoting sustainable practices within the supply chain	Encourage suppliers and partners to adopt sustainable business practices, such as reducing emissions, conserving resources, and promoting ethical labor standards.	Reduce environmental and social risks associated with the supply chain, enhance brand reputation, contribute to a more sustainable and responsible business ecosystem.
	Integrating sustainability criteria into procurement processes	Incorporate ESG factors into supplier selection and evaluation processes.	Prioritize suppliers with strong sustainability performance, incentivize continuous improvement in the supply chain, enhance transparency and accountability.
Employee Engagement in Sustainability	Engaging employees in sustainability initiatives	Involve employees in the development and implementation of sustainability strategies, programs, and initiatives.	Foster a culture of sustainability within the organization, enhance employee morale and engagement, drive innovation and creativity in sustainability solutions.
	Providing training and development opportunities on sustainability	Educate employees on sustainability issues, trends, and best practices.	Enhance employee knowledge and skills in sustainability, empower employees to contribute to sustainability goals, promote a shared understanding of sustainability challenges and opportunities.

Digital Transformation for Sustainability	Leveraging digital technologies to enhance sustainability performance	Utilize digital tools and platforms to improve energy efficiency, reduce waste, optimize resource use, and enhance data collection and analysis for sustainability reporting.	Reduce environmental impact, improve operational efficiency, enhance transparency and accountability in sustainability performance.
	Developing digital solutions for sustainable finance	Create digital platforms and tools that facilitate sustainable investing, green lending, and impact measurement.	Expand access to sustainable finance, improve the efficiency and transparency of sustainable finance transactions, and drive innovation in sustainable finance solutions.

Embedding Sustainability for Enduring Success

At Fidelity Bank, sustainability is viewed as a fundamental element of our strategic framework, not merely an add-on. We prioritize a thorough evaluation of sustainability-related risks and opportunities, which directly informs our strategic decisions. These evaluations span diverse timeframes, ensuring that our corporate strategy, business plans, and risk management protocols are all designed with sustainability in mind. This method ensures that sustainability considerations are central to all pivotal decisions, thereby enabling us to generate lasting value for our stakeholders. Our commitment to incorporating sustainability into the core of our operations is demonstrated by the explicit connection between our evaluations and our planning and strategic processes, which strengthens the bank's long-term resilience.

Adapting the Business Model and Fortifying the Value Chain

We acknowledge that the landscape of sustainability presents both risks and opportunities that can significantly reshape our operational structure and supply networks. We are dedicated to proactively navigating these dynamics to ensure the continued strength of our business. Anticipating the rising demand for environmentally and socially conscious financial services, we are refining our business model by integrating ESG factors into all our product offerings, including lending, investments, retail banking, and corporate banking. Furthermore, we are enhancing our risk assessment and management procedures to address emerging sustainability challenges, such as climate change and social disparities. Driven by a focus on innovation, we are investing in research and development to create sustainable solutions that meet the evolving demands of our clientele and contribute to a more sustainable future. We are also focused on improving our stakeholder relationships through transparent communication and accountability.

Within our value chain, we are implementing sustainability standards into our procurement practices, ensuring that our suppliers adhere to ethical and environmental guidelines. We are actively working to lessen our environmental impact through energy efficiency improvements and waste reduction initiatives. By integrating ESG considerations into our lending and investment decisions, we support sustainable businesses and initiatives, mitigating environmental and social risks. We place a high value on cultivating a culture of sustainability through employee engagement and training. Additionally, we are increasing our investments in community development initiatives that promote social and environmental well-being.

Generating Long-Term Stakeholder Value

By effectively addressing sustainability-related risks and leveraging opportunities, we are enhancing our business model and reinforcing our value chain, which leads to the creation of long-term value for our stakeholders. We are dedicated to continuous improvement in our sustainability efforts, contributing to a more sustainable future for Nigeria.

Core Principles and Operational Impacts

Fidelity Bank recognizes the inherent connection between sustainability and long-term prosperity. A comprehensive evaluation of sustainability risks and opportunities, encompassing financial and operational effects, is vital for protecting our future. This assessment is in line with our dedication to environmental stewardship, social responsibility, and strong governance, all of which are essential for creating lasting stakeholder value.

Identified risks, including failures in regulatory compliance, damage to reputation from environmental or social controversies, financial crimes, cyber threats, legal challenges, and the environmental and social effects of lending and investment activities, directly influence our operational methods. Damage to reputation can erode customer confidence, a crucial aspect of our customer-focused strategy, particularly affecting our focus on SMEs and our pan-African goals. Similarly, regulatory violations can result in financial penalties and operational limits, hindering growth. Cyber breaches jeopardize digital innovation efforts and customer data security, while environmental and social risks in lending portfolios can result in financial losses and reputational harm.

In contrast, sustainability opportunities offer avenues for strengthening our business model. The growing demand for sustainable investments aligns with our customer-centric strategy, opening new avenues for growth and financial returns. Expanding green finance and lending helps SMEs transition to a low-carbon economy, reinforcing our reputation as a responsible lender. Innovation in sustainable products and services distinguishes us in the market, while renewable energy investments reduce operating costs and contribute to environmental sustainability. Promoting a sustainable supply chain reduces risks and improves reputation. Engaging employees in sustainability efforts fosters a culture of responsibility, and using digital technologies for sustainability improves efficiency and promotes innovation.

Our Response to Sustainability-Related Risks and Opportunities

Fidelity Bank is committed to proactively managing sustainability-related risks and opportunities, integrating them into our strategy and decision-making processes. This table provides an overview of our current and planned responses, highlighting the progress we have made in 2024.

Financial Impacts of Sustainability-Related Risks and Opportunities

Fidelity Bank recognizes the significant impact that sustainability-related risks and opportunities can have on our financial performance, position, and cash flows. We have assessed these impacts on our current business operations and conducted forecasts to understand how they might affect us in the future, considering how we have integrated sustainability into our financial planning.

Table 24: Our Response to Sustainability-Related Risks and Opportunities

Risk/Opportunity	Current Response Approach	Planned Response Approach	Progress Made in 2024
Occupational Health & Safety (OHS)	• Conduct regular risk assessments. • Ensure compliance with regulations & standards. • Provide comprehensive safety training.	• Implement risk mitigation strategies (safety protocols, technology investments). • Allocate resources to meet/exceed regulatory requirements.	Conducted fire drills facilitated by the state fire service department. * Held several OHS training sessions. * Partnered with Fitness Centre to provide subsidized gym memberships to employees.
Diversity & Equal Opportunities	Implement inclusive hiring practices. Track progress on diversity goals.	* Expand inclusive hiring practices. * Provide additional diversity training for employees and managers.	* Improved the male-to-female ratio to 48%:52%, compared to 50%:50% in 2023. At the governance level, female representation on the Board remained steady at 29% for both 2023 and 2024. In top management (AGM to GM level), the number of women increased from 2 to 17 year on year indicating expanded female participation in leadership, but their proportional representation declined from 33% to 27% as the total number of senior roles grew.

Human Rights	Developed a Human Rights policy to support fair wages, safe working conditions, and freedom from discrimination and harassment.	* Invest in capacity-building initiatives on human rights issues. * Implement monitoring and evaluation mechanisms to track progress.	* Ensured fair treatment in dealings with internal and external stakeholders. * Maintained a workplace free from discrimination and human rights violations.
Data Security	Implemented robust data protection measures, including compliance with regulations, internal and external audits, data protection impact assessments, and enhanced cybersecurity.	* Continue investing in technology, staff training, and transparency to mitigate risks and capitalize on opportunities. * Align privacy considerations with strategic objectives and decision-making processes	Continued to implement initiatives aimed at enhancing compliance rates and mitigating data breach incidents. * Enhanced customer trust and strengthened privacy culture within the Bank.
Business Ethics	Strengthened internal controls and governance mechanisms to detect and prevent corruption. Implemented punitive actions against corrupt behavior. Promoted transparency and accountability.	* Conduct regular risk assessments to identify emerging corruption risks. * Increase training and awareness programs on ethics and anti-corruption. * Enhance whistleblower systems and safeguards.	* Conducted ethics, anti-money laundering, and corruption training for new and existing staff. * Implemented integrity tests to monitor ethical compliance. * Enforced policies against insider trading. * Implemented mandatory attestation on anti-bribery and corruption policies. * Provided accessible whistleblowing channels.
Tax	Implemented tax strategies to ensure compliance with tax laws, regular tax scanning, and adequate tax provisions.	* Strengthen tax governance frameworks to manage tax-related risks and opportunities.	Income tax expense amounted to N96.81billion in the reporting period, representing a significant increase from N24.811billion.
Stakeholder Engagement	Conducted comprehensive assessments of investor engagement-related risks. Identified opportunities arising from investor engagement.	• Provide timely and relevant information to investors. • Actively seek feedback through surveys and meetings.	* Kept investors informed about the bank's progress. * Ensured adequate communication channels and feedback mechanisms

ESG in Credit Analysis	Conducted thorough assessments of ESG-related risks and opportunities in credit analysis.	* Implement training programs to enhance staff capacity for ESG integration. * Commit to regular reporting on ESG performance and its impact on credit analysis.	* Screened 99.95% of the portfolio for environmental and social risk. * Conducted periodic sustainability and climate-related training for staff. * Enrolled sustainable banking team members in relevant training programs. * Ensured timely and transparent sustainability reporting.
Financial Inclusion	• Continuously monitored loan portfolios to identify and mitigate potential losses. • Leveraged various channels for financial education.	* Identify and evaluate opportunities for market expansion in underserved regions. * Invest in infrastructure to expand presence in targeted markets.	* Made significant progress in deepening financial inclusion in the five demographics emphasized by CBN (Youths, Women, North, MSMEs, and financially excluded/underserved locations).

Table 25: Impact of Sustainability and Climate-related Risks and Opportunities on Our Financial Position, Performance and Cash Flows

Risk/Opportunity	Impact on Financial Performance	Impact on Financial Position	Impact on Cash Flows
Occupational Health & Safety	* Reduced accident-related costs. * Improved employee productivity. * Enhanced reputation as a responsible employer.	* Reduced liabilities from accidents and injuries. * Improved financial stability.	* Short-term impact on capital expenditure for OHS initiatives. * Long-term savings and returns from reduced accident costs and improved efficiency.
Stakeholder Engagement	* Enhanced brand reputation, brand differentiation, and customer retention through community investment of ₦1,636,568,802.18.	* Strengthened stakeholder relationships and increased social capital.	* Positive impact on cash flows through increased customer loyalty and revenue generation.
Tax	The tax expense for 2024 amounted to ₦110.143 billion, comprising ₦96.811 billion in income tax and ₦13.331 billion in windfall tax	* Effective tax management optimizes cash flow by minimizing tax burdens.	* Improved cash flow management through efficient tax planning and compliance.
Data Security	* Short-term expenses related to compliance measures and cybersecurity.	* Enhanced brand reputation, customer loyalty, and innovation in the medium to long term, contributing to sustained financial growth.	* Short-term investments in compliance and cybersecurity can lead to increased operational efficiency and reduced risk exposure.

Business Ethics	* Enhanced transparency and integrity leading to improved customer trust and loyalty, increased revenue, and cash inflows.	* Improved access to capital and lower borrowing costs due to a strong ethical reputation.	* Positive impact on cash flows through increased revenue and reduced costs associated with unethical conduct.
Diversity & Equal Opportunities	* Enhanced reputation, attracting a broader customer base and talented workforce.	* Improved financial position through increased customer base and access to talent.	* Positive impact on cash flows through increased revenue and improved operational efficiency.
Human Rights	* Enhanced reputation and stakeholder trust, positively impacting financial position.	* Increased revenue streams from attracting socially responsible investors and customers.	* Positive impact on cash flows through increased revenue and reduced reputational risks.
ESG in Credit Analysis	* Improved long-term financial outcomes by identifying investments that align with sustainability goals.	* Enhanced reputation and reduced risk exposure by investing in companies with strong ESG practices.	* Positive long-term impact on cash flows through improved investment returns and reduced risk.
Financial Inclusion	* Increased revenue and business growth opportunities through market expansion.	* Strengthened financial position and resilience through diversified loan portfolio and customer base.	* Positive impact on cash flows through increased revenue and access to new markets.

Investing in a Sustainable Future

Fidelity Bank is dedicated to investing in a range of sustainable initiatives that will reduce our environmental impact, support social development, and contribute to a more sustainable future for Nigeria. Our key investment areas include:

Renewable Energy and Energy Efficiency

We are committed to transitioning towards renewable energy sources and improving energy efficiency across our operations. This includes:

- **Transitioning to Renewable Power:** We have already connected some of our facilities, including branches and Automated Teller Machines (ATMs), to renewable energy sources such as solar panels. Our goal is to connect all facilities and incorporate renewable energy as a component of the energy mix across all operations through the procurement of green energy. This will reduce our Scope 1 and Scope 2 emissions from fossil fuels used in powering generators and consumption of electricity from the national grid.
- **Enhancing Energy Efficiency in IT Systems:** We are committed to ongoing installation of efficient and smart energy equipment in our data centers, invest in renewable energy sources for our data centers, and ensure effective power usage.
- **Investing in Energy-Efficient Equipment:** To optimize resource use, Fidelity Bank will systematically replace electronic equipment, such as air conditioners and computers, with low-energy-consuming alternatives. We will also consider incorporating electric vehicles into our fleet. This transition will result in reduced carbon emissions in our facilities and operations while minimizing our energy consumption.
- **Transitioning to LED Lighting:** The continued use of LED lighting throughout the Bank is a deliberate choice in line with our energy efficiency efforts. LED lighting not only reduces our energy consumption but also aligns with our commitment to sustainable practices.
- **Implementing Efficient Fleet Management:** The Bank maintains a fleet of staff buses,

offering over 600 employees, free home-to-work commuting services each workday. This initiative enhances employee welfare and significantly reduces the number of individual vehicles driven by staff, contributing to a notable decrease in associated greenhouse gas emissions. We will also adequately manage the journeys of our fleet vehicles to ensure optimal fuel consumption while maintaining vehicles and buses with efficient engines.

- **Encouraging Carpooling:** In addition to providing staff buses, Fidelity Bank actively encourages employees who use individual vehicles to adopt carpooling practices and reduce business travel as much as possible, utilizing virtual meetings through digital platforms such as MS Teams and Zoom. This collaborative effort further reduces the overall carbon footprint associated with employee commuting.

- **Leveraging Digital Technology:** This approach involves introducing innovative practices among staff and stakeholders, such as digital conferencing, remote work, and a digitized data management system, to drive operational efficiency and advance carbon reduction efforts. It will also minimize the Bank's carbon footprint and decrease foot traffic in our branches.

Green Financing

We are committed to allocating financial resources towards environmentally friendly projects and initiatives. As part of this commitment, we have already begun investing in activities that promote renewable energy, energy efficiency, pollution prevention, green transportation, sustainable agriculture, and other initiatives that support a low-carbon, resilient future.

In 2023, we supported green financing through green products such as the Fidelity Easy Asset Lease Scheme (FEALS) and Green Energy Financing, recording 112 transactions valued at ₦512,982,100. In 2024, this increased significantly to 482 transactions, with a total financing volume of ₦509,006,379. These figures exclude additional lending provided outside of these specific products for environmentally friendly projects and initiatives. We are actively exploring and developing new green finance projects to expand our impact and support the transition to a low-carbon economy.

Carbon Credits

Our long-term approach includes purchasing certified carbon credits to meet our emission reduction targets. Our reliance on carbon credits aims to supplement and enhance our internal emission reduction initiatives, creating long-term value by investing in a green future.

Socially Responsible Investments

We are dedicated to investing in projects and programs that support social welfare and economic development in Nigeria. These include:

- Environmental Sustainability and Conservation
- Quality Education
- Health and Social Welfare
- Youth Empowerment

Our efforts contribute to all the United Nations Sustainable Development Goals (SDGs), focusing on building cleaner, healthier, and more resilient communities because communities thrive, we all win together.

Sustainable Supply Chain

We are partnering with eco-conscious suppliers to enhance the sustainability of our supply chain and reduce our environmental impact. This includes:

- **Incorporating Environmental and Social Criteria into Procurement Policies:** We are integrating environmental and social considerations into our procurement policies to ensure that our suppliers adhere to ethical and sustainable practices.

- **Working with Suppliers to Reduce their Carbon Emissions:** We are collaborating with our suppliers to reduce their carbon emissions and improve their environmental performance through initiatives such as energy efficiency programs and waste reduction strategies.

Responsible Asset Disposal

We actively manage divestment of assets that pose environmental or social risks, ensuring compliance with regulations and minimizing negative impacts on communities and ecosystems. We have implemented innovative waste management solutions to optimize resource use including:

- **Recycling E-Waste:** Our e-waste recycling programs to ensure the responsible disposal of electronic equipment significantly reducing the environmental impact of our operations.
- **Implementing Circular Economy Principles:** We have integrated circular economy principles into our operations, by reducing waste, reusing materials, and promoting the recycling and upcycling of products. Refer to E5 in the ESRS disclosure section for more details.

Fidelity Bank acknowledges the dynamic nature of sustainability-related risks and their potential impact on our business. We have conducted a comprehensive risk assessment to evaluate the resilience of our strategy and business model, considering the effectiveness of our existing measures and incorporating feedback from various sources. We are committed to continuously monitoring and adapting our sustainability strategy to ensure its effectiveness in mitigating risks and maximizing opportunities.

Climate-Related Risks and Opportunities

Climate change presents a spectrum of risks and opportunities that could significantly affect the prospects of the bank. We have conducted a thorough assessment of these potential impacts, considering both our direct operations and our broader role within the financial system.

Climate-Related Risks

- **Physical Risks:** These arise from the direct physical effects of climate change, such as extreme weather events and gradual changes in climate patterns

- **Acute Risks:** These include events like floods, droughts, and storms, which can damage property and disrupt operations. Nigeria's vulnerability to flooding is a significant concern, impacting not only our bank assets and branch operations but also the customers we serve in flood-prone areas. We remain committed to enhancing our adaptation and resilience measures to mitigate these risks, ensuring business continuity and providing support to our customers during such events. Additionally, we actively encourage our customers to implement similar measures to safeguard their assets and operations.

- **Chronic Risks:** These involve gradual changes like rising temperatures and sea levels, which can affect agriculture, water resources, and human health, potentially impacting loan portfolios and asset values. For instance, changes in agricultural yields could affect the creditworthiness of agricultural borrowers.

Transition Risks: These stem from the global shift towards a low-carbon economy.

- **Policy and Legal Risks:** Changes in regulations and policies, such as carbon pricing, can impact the profitability of carbon-intensive industries, potentially increasing credit risk for the bank. For example, stricter emissions standards could impact businesses in the oil and gas sector, affecting their ability to repay loans.

- **Technology Risks:** Rapid advancements in low-carbon technologies can disrupt existing industries and impact the value of assets. This could lead to stranded assets in the bank's portfolio.

- **Market Risks:** Shifts in investor and consumer preferences towards sustainable products and services can affect the demand for carbon-intensive goods, impacting lending and investment portfolios. This could lead to decreased demand for loans in certain sectors.

- **Reputational Risks:** Banks perceived as not taking sufficient action on climate change may face reputational damage, affecting customer and investor relationships. This could result in customer attrition and difficulty attracting investors.

Climate-Related Opportunities

- **Green Financing:** The growing demand for sustainable finance solutions presents opportunities for the bank to expand its product offerings and attract new customers. This could involve providing green loans or financing renewable energy projects.

- **Climate-Resilient Infrastructure:** Investing in climate-resilient infrastructure can create new markets and generate economic growth, providing opportunities for the bank to finance these projects.

This could include financing for projects such as flood defenses or drought-resistant agriculture.

- **Sustainable Investment:** Growing investor interest in ESG factors creates opportunities for the bank to develop sustainable investment products and attract responsible investors. This could lead to increased funds under management and enhanced reputation.

Table 26: Climate-Related Risks and Opportunities

Category	Specific Risk/ Opportunity	Potential Impact on Fidelity Bank	Financial Impact	Reputational Impact
Physical Risks				
- Acute Risks	Floods, droughts, storms	Damage to property and infrastructure, disruption of operations, increased credit risk	Increased operational costs, loan losses, insurance claims	Damage to brand image, loss of customer trust
- Chronic Risks	Rising temperatures, sea-level rise	Impacts on agriculture, water resources, and human health, potentially affecting loan portfolios and asset values	Reduced asset values, increased credit risk	Negative perception of the bank's risk management practices
Transition Risks				
- Policy and Legal Risks	Changes in regulations and policies (e.g., carbon pricing)	Impacts on the profitability of carbon-intensive industries, potentially increasing credit risk	Increased credit losses, stranded assets	Negative association with carbon-intensive industries
- Technology Risks	Rapid advancements in low-carbon technologies	Disruption of existing industries, impacting the value of assets	Stranded assets, write-downs	Failure to adapt to technological advancements

- Market Risks	Shifts in investor and consumer preferences towards sustainable products and services	Changes in demand for carbon-intensive goods, impacting lending and investment portfolios	Reduced investment returns, decreased loan demand	Perceived lack of alignment with market trends
- Reputational Risks	Perceived inaction on climate change	Damage to reputation, affecting customer and investor relationships	Loss of customers and investors, difficulty attracting talent	Damage to brand image and stakeholder trust
Opportunities				
- Green Financing	Growing demand for sustainable finance solutions	Expansion of product offerings, attracting new customers	Increased revenue, market share growth	Enhanced reputation as a sustainable bank
- Climate-Resilient Infrastructure	Investing in climate-resilient infrastructure	Creation of new markets and economic growth, providing financing opportunities	Increased revenue from financing projects	Positive contribution to climate resilience
- Sustainable Investment	Growing investor interest in ESG factors	Development of sustainable investment products, attracting responsible investors	Increased revenue from investment products	Enhanced reputation as a responsible investor

Anticipated Financial and Reputational Impacts

The identified climate-related risks could have significant financial and reputational impacts on Fidelity Bank.

- **Creditworthiness:** Both the physical and transition risks associated with climate change can influence the creditworthiness of borrowers in certain sectors. Extreme weather events can damage assets and disrupt business operations, while policy changes and technological advancements can impact industry profitability. These factors can potentially lead to higher loan defaults and impairment charges. We are actively managing these risks by assessing our exposure to climate-sensitive sectors and diversifying our loan portfolio.

- **Market Dynamics:** Changes in market conditions due to climate change can affect the value of our assets and investments. The transition to a low-carbon economy could, for example, lead to a decline in the value of assets related to fossil fuels. We are addressing this by incorporating ESG factors into our investment strategies and assessing the potential impact of climate change on different asset classes.

- **Operational Resilience:** Extreme weather events can disrupt our operations and damage infrastructure, leading to business interruptions and financial losses. We are mitigating this risk by investing in climate-resilient infrastructure and technologies.

- **Reputation:** Our reputation can be affected by how we address climate change. Failure to take adequate action can erode stakeholder trust, potentially leading to customer attrition and negative media coverage. To maintain stakeholder confidence, we are transparently disclosing our climate-related risks and opportunities and actively engaging with stakeholders on these issues.

Our Commitment to Proactive Climate Action

Fidelity Bank is committed to proactively managing climate-related risks and opportunities to ensure our long-term resilience and contribute to a more sustainable future for Nigeria. We are integrating climate-related considerations into our risk management framework, conducting scenario analysis and stress testing, and developing and implementing climate-related policies and procedures. We are also investing in climate-resilient infrastructure and technologies, supporting our clients in their transition to a low-carbon economy, and engaging with stakeholders on climate-related issues. By taking a proactive approach to climate change, we aim to ensure our long-term success and contribute to a more sustainable future for all.

Climate-Resilient Strategy

Fidelity Bank Nigeria recognizes the significant impact climate change can have on its prospects. We have integrated climate-related considerations into our strategic planning process to ensure the resilience of our strategy and business model.

Resilience to Climate-Related Risks

Our strategy is designed to be resilient to climate-related risks through the following measures:

- **Risk Assessment and Mitigation:** We conduct comprehensive climate risk assessments to identify and evaluate potential impacts on our operations, lending portfolio, and investments. We develop and implement risk mitigation strategies to address these risks, including risk transfer mechanisms, adaptation measures, and business continuity planning.

- **Scenario Analysis and Stress Testing:** We utilize scenario analysis and stress testing to assess the potential impact of different climate change scenarios on our business. This helps us understand the resilience of our strategy under various climate futures and adapt our approach as needed.

- **Investment in Climate-Resilient Infrastructure and Technologies:** We invest in climate-resilient infrastructure and technologies to protect our assets and operations from the physical impacts of climate change. This includes measures to enhance the resilience of our buildings and IT systems to extreme weather events.

- **Integration with Risk Management Framework:** Climate-related risks are fully integrated into our overall risk management framework. This ensures that these risks are systematically identified, assessed, and managed alongside other key risks facing the bank.

Capitalizing on Climate-Related Opportunities

Our strategy also seeks to capitalize on climate-related opportunities:

- **Green Financing:** We are expanding our green finance offerings to meet the growing demand for sustainable finance solutions. This includes providing green loans, sustainability-linked loans, and other financial products and services that support the transition to a low-carbon economy.

- **Sustainable Investment:** We integrate ESG factors into investment decision-making processes to attract responsible investors and support long-term financial performance.

- **Innovation:** We view climate change as a driver of innovation in the financial sector. We have launched new green products and are currently exploring opportunities to develop climate risk advisory services that support the transition to a low-carbon economy.

Adaptive Strategy

Our strategy is not static but rather adaptive, allowing us to respond to the evolving climate landscape. We regularly review and update our strategy, considering new climate data, emerging risks and opportunities, and changes in the regulatory environment.

Transition Plan: Navigating the Path to a Low-Carbon Economy

Fidelity Bank Nigeria recognizes the complexities of climate change and the need for a well-defined transition plan to mitigate risks and capitalize on opportunities. Our transition plan outlines the key actions, assumptions, dependencies, and resources required to achieve our climate-related goals and ensure the long-term sustainability of our business.

Key Elements

- **Targets and Goals:** We have established clear and measurable climate-related targets and goals, including reducing our financed emissions, increasing green financing, and investing in climate-resilient infrastructure. These targets are aligned with national and international climate goals, such as the Paris Agreement (see the Metrics and Targets section of this report for details).
- **Strategic Initiatives:** Our transition plan outlines the strategic initiatives we will undertake to achieve our targets and goals. These initiatives include integrating climate risk into our risk management framework, developing and offering green finance products and services, investing in renewable energy and energy efficiency, supporting clients in their transition to a low-carbon economy, and engaging with stakeholders on climate-related issues.
- **Critical Assumptions:** Our transition plan is based on several critical assumptions, including a supportive regulatory environment for climate action, continued technological advancements in green technologies, and active engagement and collaboration from our stakeholders.
- **Dependencies:** Our transition plan also recognizes several key dependencies, including client engagement, particularly in carbon-intensive sectors, access to reliable and comprehensive climate-related data, and building internal capacity and expertise on climate-related issues.
- **Resourcing:** We have allocated dedicated resources to support the implementation of our transition plan. This includes financial resources, human resources, and technological resources.

Regular Review and Updates

Our transition plan is a dynamic document that will be regularly reviewed and updated to reflect the evolving climate landscape, emerging risks and opportunities, and changes in the regulatory environment.

Fidelity Bank Nigeria believes that our comprehensive transition plan, with its clear targets, strategic initiatives, and consideration of critical assumptions and dependencies, will enable us to effectively manage climate-related risks and opportunities and contribute to a more sustainable future for Nigeria.

3.5.3. Risk Management (IFRS S1.25,43 – 44; IFRS S2.23-26)

Sustainability Risk Management

Fidelity Bank adopts a proactive approach to managing sustainability-related risks and opportunities, with a focus on building long-term resilience. This includes conducting regular risk assessments, engaging with stakeholders, and investing in sustainable technologies. Our sustainability strategy guides our efforts to identify, assess, monitor, mitigate, and strategically leverage these risks and opportunities. We are committed to continuous improvement, ensuring we have the capacity and resilience to adapt to the evolving sustainability landscape.

Fidelity Bank recognizes the interconnectedness of sustainability-related risks and opportunities with other traditional risk categories. Therefore, we have fully integrated our sustainability risk management processes into our overall Enterprise Risk Management (ERM) framework. This integration ensures that climate and other sustainability risks, such as those related to extreme weather events and the low-carbon economy transition, are assessed holistically alongside traditional risk types such as credit, operational, market, and liquidity risks. This integrated approach allows for a more comprehensive understanding of the bank's overall risk profile and facilitates informed decision-making that supports our long-term sustainability.

A Step-by-Step Approach

Fidelity Bank has seamlessly integrated sustainability considerations into its Enterprise Risk Management (ERM) framework. This integration follows a sequential process, ensuring that sustainability risks are systematically addressed alongside traditional risk categories.

1. Identification

Sustainability-related risks are identified as a distinct category within our overall risk register. This ensures that these risks are systematically identified and assessed alongside other key risks facing the bank.

Our process for identifying and assessing sustainability-related risks involves:

- **Materiality Assessment:** We identify key material issues through stakeholder consultations, trend analysis, and a review of leading practices and regulatory requirements. This ensures that we focus on the sustainability-related risks and opportunities that are most relevant to our business and stakeholders.

- **Risk Scoring and Ranking:** We score, and rank identified sustainability-related risks based on their likelihood of occurrence and potential impact on our business model and value chain. This allows us to prioritize our risk management efforts and allocate resources effectively.

- **Scenario Analysis:** We utilize scenario analysis to understand the potential impact of climate-related risks on our business operations and loan portfolio. This involves exploring different climate change scenarios and assessing their potential consequences on our business, enabling us to develop proactive mitigation and adaptation strategies.

- **Multi-Criteria Decision Analysis (MCDA):** We use an MCDA approach to assess the potential effects of sustainability-related risks, considering the opinions of our internal and external stakeholders, regulatory requirements, and market conditions. This comprehensive approach ensures that we consider a wide range of perspectives and factors when evaluating potential impacts.

- **Stakeholder Engagement:** We actively engage with our stakeholders, including customers, investors, employees, regulators, and local communities, to understand their perspectives on sustainability-related risks and opportunities. This engagement helps us identify emerging risks and opportunities and ensure that our sustainability strategy aligns with stakeholder expectations.

- **Industry Monitoring:** We continuously monitor industry trends, best practices, and regulatory developments related to sustainability. This includes tracking emerging ESG reporting standards, analyzing the sustainability performance of our peers, and engaging with industry bodies and experts.

2. Risk Assessment

We utilize appropriate methodologies, including quantitative and qualitative assessments, scenario analysis, and stress testing, to assess the likelihood and potential impact of sustainability-related risks, like how we assess other risk types.

Our approach to sustainability-related risk assessment is underpinned by a rigorous, data-driven assessment process:

- **Comprehensive Risk Assessments:** We conduct regular and comprehensive risk assessments, considering a wide range of environmental, social, and governance (ESG) factors. These assessments involve evaluating the potential impact of climate change, resource scarcity, social inequality, and other sustainability-related trends on our business operations, financial performance, and stakeholders.
- **Quantitative Assessment:** We leverage advanced analytics and scenario modelling to quantify our exposure to ESG factors across our portfolio. This enables us to evaluate the potential impacts of climate-related events, resource limitations, and other sustainability-related risks on our business operations, investments, and lending portfolio.
- **Qualitative Assessment:** We also consider qualitative factors, such as reputational risks, regulatory changes, and stakeholder expectations, when assessing sustainability-related risks. This ensures a holistic understanding of the potential impacts on our business.

3. Risk Prioritization

Sustainability-related risks are prioritized based on their potential impact, likelihood, and other relevant factors, ensuring that climate and sustainability risks are given due consideration in our overall risk prioritization process.

Assessing and Prioritizing Risks and Opportunities

Once identified, we rigorously assess the potential impact and likelihood of each sustainability-related risk and opportunity. This assessment considers various factors, including:

- **Financial Implications:** We evaluate the potential financial impact of each risk and opportunity, consideringfactorssuchaspotentiallosses,increased costs, and impacts on revenue and profitability.
- **Reputational Risks:** We assess the potential reputational implications of each risk and opportunity, considering the potential for negative publicity, damage to brand image, and erosion of stakeholder trust.
- **Regulatory Requirements:** We analyze the regulatory landscape related to sustainability, ensuring that our operations and activities comply with relevant laws, regulations, and reporting standards.

Following the assessment, we prioritize identified risks and opportunities based on their potential impact and likelihood, allowing us to allocate resources effectively and focus on the most critical areas. This prioritization process considers the specific characteristics of each risk and opportunity, including its potential financial and reputational implications, the time horizon over which it may materialize, and the bank's vulnerability to the risk.

4. Risk Mitigation

We develop and implement strategies to mitigate sustainability-related risks, including risk transfer mechanisms, adaptation measures, and business continuity planning. These strategies are integrated with our overall risk mitigation efforts.

5. Risk Monitoring and Reporting

We regularly monitor sustainability-related risks and report on their status to the Board and relevant committees. This reporting is integrated with our overall risk reporting, providing a comprehensive view of the bank's risk profile.

This structured approach ensures that sustainability risks are given due consideration in our risk management processes, contributing to the long-term resilience and sustainability of our business.

Monitoring and Adapting to Change

We continuously monitor sustainability-related risks and opportunities, tracking key performance indicators (KPIs), conducting regular reviews, and adapting our strategies as needed to ensure they remain relevant and effective. This monitoring process includes:

- **Performance Tracking:** We track our performance against sustainability targets and objectives, using relevant metrics to measure our progress and identify areas for improvement.
- **Regular Reviews:** We conduct regular reviews of our sustainability strategy and risk management framework, ensuring that they remain aligned with our business objectives and the evolving sustainability landscape.
- **Adaptive Management:** We adapt our strategies and risk mitigation measures as needed based on the results of our monitoring and assessment activities.

This comprehensive framework enables us to proactively manage sustainability-related risks and opportunities, ensuring the long-term resilience and sustainability of our business.

Fidelity Bank is committed to continuously improving our risk management framework and ensuring that sustainability considerations are fully integrated into our decision-making processes.

Key Performance Indicators (KPIs) and Targets

We use a range of KPIs and targets to monitor our sustainability-related risks and opportunities, ensuring that we remain accountable and track our progress towards our goals.

Benefits of this Integrated Approach

This integrated approach provides several benefits. It ensures that sustainability risks are not considered in isolation but are assessed holistically alongside other key risks, leading to a more comprehensive understanding of the bank's overall risk profile. By considering sustainability risks alongside other risk types, we can make more informed decisions about our business strategy, lending and investment activities, and operational practices. This approach also allows us to proactively manage sustainability-related risks, rather than reacting to them after they have materialized, enhancing the resilience of our business. Furthermore, demonstrating a comprehensive approach to managing sustainability risks can enhance stakeholder confidence in the bank's ability to navigate the challenges and opportunities of a changing world.

Three Lines of Defense

Fidelity Bank has a robust risk management framework built on the "Three Lines of Defense" model. This model ensures a comprehensive and layered approach to managing all risks, including those related to sustainability. Each line of defense plays a crucial role in identifying, assessing, mitigating, and monitoring risks, contributing to the overall resilience and sustainability of the bank.

Table 27: Our Three Lines of Defense

	1st Line of Defence	2nd Line of Defence	3rd Line of Defence
Board of Directors (Oversight)	**Business Units (Risk Owners**	**Risk Management & Compliance Function**	**Internal Audit and External Audit Function**
• Sets the "Tone from the Top". • Approves the Bank's risk appetite strategy. • Approves the Bank's risk management framework, methodologies, overall policies, and roles and responsibilities. • Makes strategic decisions using risk information provided by Management	• Owner of the risk management process. • Propose and agree risk appetite and supporting limit with the second line of defence. • Identify, manage and reports risks in the activities and critical processes in which they are engaged, in line with the approved appetite and agreed limits. • Implement and maintain the applicable mandatory controls documented in the Bank's risk policies.	• Partners with and supports the first line of defence's risk management activities. • Provides interpretation regulations/leading practices disseminates Business Unit. • Independent review and challenge of business area risk appetite, underlying limits and profiles . • Framework and Policy development and conformance. • Monitors adherence to framework and strategy. • Develops risk management methodologies. • Operate as centres of excellence for specified risk types. • Performs aggregated risk reporting	• Provides independent testing and verification of efficacy of corporate standard and business line compliance. • Validates the overall risk framework. • Provides assurance that the risk management process is functioning as designed and identifies improvement opportunities. • To provide an independent assurance of the design and effectiveness of internal controls over the risks to Bank's business. • In carrying out this work Internal Audit will provide specific recommendations for improving the governance, risk &control framework. • Provide independent assurance to the Board.

Climate-Related Risks and Opportunities
Fidelity Bank recognizes the significant impact of climate change on the financial sector and has proactively established a robust framework for managing climate-related risks. This comprehensive approach is essential to protect our business operations and ensure long-term sustainability.

Our Climate-Related Risk Management Process
We understand that climate change presents a formidable challenge to modern society, with far-reaching consequences for the environment, human health, and economic activities. The Nigerian banking sector is particularly vulnerable due to the country's dependence on climate-sensitive sectors like agriculture and oil. To address this vulnerability, we have implemented a rigorous process for managing climate-related risks, encompassing the following key stages:
Fidelity Bank recognizes the importance of proactively identifying and assessing climate-related risks to ensure the long-term resilience and sustainability of our operations. We have adopted a systematic approach to climate risk assessment, which involves the following key steps:

Step 1: Identifying Climate Risk Drivers
We begin by identifying the full spectrum of primary climate risk drivers and their potential impacts on our business and the broader economy. We then select the risk drivers that are most relevant to our value chain, considering our operations, lending and investment portfolios, and the geographic regions where we operate.

Table 28: Drivers of Climate Risks/Opportunities

Risk/Opportunity Category	Specific Risk/ Opportunity	Impact on Business Model and Value Chain	Time Horizon
Physical Risks	Extreme weather events	- Events and conditions leading to physical risk could affect loan repayment and collateral, leading to stranded assets. - Valuation of assets and liabilities affected by physical risk conditions.	• Medium to long term • Short, medium, and long term
	Fluctuating Temperatures	Workforce health and safety	Short, medium, and long term
Transition Risks	Policy and Legal	Write-off or early retirement of assets due to policy and regulation changes.	Medium to long term
	Technology	Capital expenditures and financing for technology development.	Short, medium, and long term
	Market	Negative stakeholder feedback affecting customer base and profitability ratios.	Short, medium, and long term
	Reputation	Stigmatization of sector affecting employee attraction and retention.	Short, medium, and long term

Information Sources:
To inform our identification of climate risk drivers, we utilize a variety of sources, including:

- **Scientific Literature:** Reports and assessments from the Intergovernmental Panel on Climate Change (IPCC), which provide comprehensive scientific information on climate change and its potential impacts.
- **Government Reports:** National climate assessments and reports, such as Nigeria's Third National Communication to the United Nations Framework Convention on Climate Change (UNFCCC), which provide country-specific information on climate risks and vulnerabilities.
- **Industry-Specific Resources:** Reports and guidance from industry associations, regulatory bodies, and other organizations, provide insights on climate-related risks and best practices for managing them within the financial sector.

Step 2: Mapping Climate Risk Drivers Against Transmission Channels and Business Risks
Once we have identified the relevant climate risk drivers, we assess how these drivers could affect our internal operations and specific asset classes. This involves:

- **Identifying Transmission Channels:** We identify the pathways through which the effects of climate change can translate into financial and non-financial risks for our business. These transmission channels can be direct, such as physical damage to our assets, or indirect, such as impacts on our customers and supply chain.
- **Mapping Climate Risk Drivers:** We develop a matrix that maps climate risk drivers against the identified transmission channels and business risks across our value chain. This helps us understand how climate change can affect different aspects of our business and prioritize our risk management efforts.
- **Data Requirements:** This mapping exercise requires comprehensive data on our primary sector of activity, the location of our operations, and the geographic distribution and sectoral breakdown of our customers and loan portfolio.

Step 3: Conducting Scenario Analysis and Stress Testing
Fidelity Bank utilizes climate scenario analysis as a crucial tool to evaluate the potential impacts of various climate-related risk factors on our business. This forward-looking approach helps us understand how different climate pathways could affect our risk profile and financial performance, enabling us to develop proactive risk mitigation and adaptation strategies.

Why Scenario Analysis is Essential
While we can anticipate certain climate risks based on current scientific findings, the precise timing, magnitude, and specific impacts of these risks remain uncertain. This uncertainty stems from factors such as:

- **Unpredictable Time Horizons:** The exact timing of climate-related events and their associated impacts can be difficult to predict with certainty.
- **Variable Future Pathways:** The future trajectory of climate change depends on various factors, including global greenhouse gas emissions and policy responses, which can lead to different climate scenarios.
- **Complex Interactions:** Climate change interacts with economic, social, and technological factors

in complex ways, making it challenging to predict the full extent of its impacts on financial assets and borrower creditworthiness.

Scenario analysis helps us address these uncertainties by:

- **Exploring a Range of Plausible Scenarios:** We consider a variety of climate scenarios, ranging from those aligned with the Paris Agreement goals to more severe scenarios with higher warming potential. This allows us to understand the potential impacts of different climate pathways.
- **Modelling Complex Interactions:** We use scenario analysis to model the complex interactions between climate factors, economic and financial indicators, and sector-specific or counterparty responses. This helps us quantify the potential impacts of climate change on our business more accurately.
- **Identifying Opportunities:** Scenario analysis also helps us identify opportunities that could mitigate potential negative impacts or create new business opportunities. These opportunities can be categorized as

» **Market Opportunities:** For example, increasing demand for green finance products and services.
» **Innovation Opportunities:** Developing new climate-resilient financial products or investing in climate-smart technologies.
» **Partnerships/Collaborations:** Collaborating with other organizations to develop and implement climate solutions.

Scenario Analysis and Stress Testing
We utilize scenario analysis to explore potential climate pathways and their impacts on our business across various time horizons. This forward-looking approach is integrated into our strategic planning process to proactively address climate change, ensuring alignment between our immediate needs, medium-term growth opportunities, and long-term sustainability goals.

Our approach is summarized in the table below:

Table 29: Our Scenario Analysis and Stress Testing Approach

Time Horizon	Focus Area	Alignment
Short-Term (0-5 years)	Adapting operations to minimize environmental impact and prepare for climate risks, managing liquidity to ensure financial stability during climate-related disruptions, and maintaining compliance with evolving environmental regulations.	Short-term planning objectives
Medium-Term (5-10 years)	Integrating climate considerations into our overall strategy, expanding our market by offering sustainable financial products and services, and innovating new products to support the low-carbon transition.	Medium-term planning objectives
Long-Term (10-40 years)	Achieving environmentally, socially, and economically sustainable growth, proactively managing climate-related risks, and building climate resilience for our operations and the communities we serve.	Long-term planning objectives

Scenario Analysis
Our scenario analysis process involves several key steps:

1. **Scenario Selection:** We select a range of relevant climate scenarios, considering both optimistic and pessimistic climate futures. Our scenario analysis draws primarily on two key sources:

- **Intergovernmental Panel on Climate Change** (IPCC): We utilize the representative concentration pathways (RCPs) and shared socioeconomic pathways (SSPs) developed by the IPCC. These scenarios provide a comprehensive framework for exploring different climate futures, considering various levels of greenhouse gas emissions and socioeconomic development.

- **Network for Greening the Financial System** (NGFS): We also utilize the climate scenarios developed by the NGFS, a network of central banks and supervisors committed to managing climate-related risks and mobilizing capital for green and low-carbon investments. These scenarios provide insights into the potential impacts of climate change on the financial system and offer guidance on stress testing and risk management.

2. **Risk Assessment:** We assess the potential impacts of each scenario on our business, considering both physical and transition risks. This includes evaluating the potential financial and reputational implications of each scenario.

3. **Integration into Strategic Planning:** The insights gained from our scenario analysis are integrated into our strategic planning process. This ensures that our strategies are aligned with the potential impacts of climate change and that we are well-positioned to manage climate-related risks and opportunities.

Rationale for Using Multiple Sources in Climate Scenario Analysis
Fidelity Bank utilizes a combination of climate scenarios from the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS) to ensure a robust and comprehensive analysis. This approach allows us to consider a wide range of potential outcomes, capture different perspectives, and enhance the credibility and comparability of our analysis.

By incorporating scenarios from different sources, we can explore a broader range of potential climate pathways and their associated impacts, from orderly transitions to more disruptive scenarios. The IPCC and NGFS scenarios consider different aspects of climate change and its potential impacts, providing a more holistic view of the risks and opportunities. Using widely recognized and authoritative scenarios enhances the credibility of our analysis and allows for better comparison with other institutions.

Specific Scenarios Used

- **IPCC RCP 2.6:** This scenario represents a pathway with very low greenhouse gas emissions, leading to a temperature increase of well below 2 degrees Celsius above pre-industrial levels.
- **IPCC RCP 4.5:** This scenario represents a pathway with moderate greenhouse gas emissions, resulting in a temperature increase of around 2.4 -3.2 degrees Celsius above pre-industrial levels by 2100
- **IPCC RCP 8.5:** This scenario represents a pathway with very high greenhouse gas emissions, leading to a temperature increase of more than 4 degrees Celsius above pre-industrial levels.
- **NGFS Orderly Scenario:** This scenario assumes early and ambitious policy action to achieve the goals of the Paris Agreement, leading to a smooth transition to a low-carbon economy.
- **NGFS Disorderly Scenario:** This scenario assumes delayed and uncoordinated policy action, resulting in a more disruptive transition with higher economic and social costs.
- **NGFS Hothouse Earth Scenario:** This scenario assumes no new climate policies are implemented, leading to high and rising emissions.

These scenarios help us to understand the potential range of physical and transition risks associated with climate change, as well as the potential opportunities for green financing and sustainable investment.

Representative Concentration Pathways (RCPs)

RCPs are scenarios of future greenhouse gas concentrations and their associated radiative forcing (the change in energy balance in the atmosphere). They are used to project future climate change under different emissions pathways. We consider scenarios aligned with different RCPs, including:

Table 30: Our Climate Scenarios aligned with different RCPs

Scenario	Description	Potential Impact on Fidelity Bank
RCP 2.6 (Low Emissions)	Global emissions peak soon and decline significantly, limiting warming to well below 2°C.	Lower physical and transition risks. Opportunities for financing green technologies and sustainable businesses.
RCP 4.5 (Medium Emissions)	Emissions peak around mid-century, then declines, stabilizing warming below 2°C.	Moderate physical and transition risks. Need to manage exposure to carbon-intensive sectors and support the transition to a low-carbon economy.
RCP 8.5 (High Emissions)	Emissions continue to rise strongly, leading to significant warming (potentially above 4°C).	High physical and transition risks. Increased exposure to extreme weather events, stranded assets, and policy uncertainty.

Network for Greening the Financial System (NGFS) Scenarios

In addition to RCPs, we also consider scenarios developed by the NGFS, which explore different pathways for the transition to a low-carbon economy. These scenarios are summarized in the table below:

Table 31: Network for Greening the Financial System (NGFS) Scenarios Used

NGFS Scenario	Description	Key Characteristics	Potential Implications for Fidelity Bank
Orderly Transition	Early and ambitious climate policies lead to a smooth transition to a low-carbon economy.	Coordinated actions like carbon pricing and incentives, shifting investments towards green technologies (renewables, efficiency), and limiting physical risks (extreme weather, sea-level rise) due to reduced warming.	Growth in green finance and sustainable investments, including green lending, ESG-focused investment products, and attracting environmentally conscious clients. Lower credit risk in sectors aligned with a low-carbon economy.
Disorderly Transition	Delayed and abrupt climate policies lead to a more disruptive transition.	Rapid shifts in investment and technology, increased economic and social volatility. Uncertainty and challenges for businesses unprepared for the low-carbon transition.	Higher transition risks due to policy uncertainty, market volatility, increased credit risk in carbon-intensive sectors, and the potential for stranded assets, especially in fossil fuels and carbon-intensive manufacturing.
Hot House World	Limited climate action leads to severe physical impacts of climate change.	Drastic global warming, with increased frequency and intensity of extreme weather events causing widespread damage to infrastructure and ecosystems.	High physical risks to assets and operations (damage, supply chain disruptions, increased insurance costs). Increased credit risk across various sectors (agriculture, tourism, real estate) due to climate impacts, and the potential for business disruptions and economic instability.

Impact Assessment and Strategic Implications

We assess the potential impacts of these identified risks on our business. This includes considering impacts on our operations (e.g., infrastructure damage), our lending portfolio (e.g., credit risk in affected sectors), and our strategic planning (e.g., long-term investment decisions).
We analyze how different emissions pathways, and the associated temperature rises could affect these risks.

Finally, we analyze the strategic implications of the scenario analysis. This includes identifying potential opportunities and challenges presented by different climate futures and developing strategies to adapt to these different possibilities. This informs our risk management strategies, our lending and investment decisions, and our overall business strategy. This helps us understand the resilience of our business model under various climate futures.

Stress Testing

We also utilize stress testing to assess the resilience of our business to specific climate-related shocks. This involves simulating the impact of extreme climate events or policy changes on our portfolio and financial performance. Stress testing helps us identify vulnerabilities and develop contingency plans to mitigate potential losses.

Integration with Strategic Planning

Our scenario analysis and stress testing processes are integrated with our strategic planning process. This ensures that our strategies are aligned with the potential impacts of climate change and that we are well-positioned to manage climate-related risks and opportunities.

Prioritizing Climate-Related Risks

Fidelity Bank recognizes that climate-related risks require prioritization within our overall risk management framework. We employ a systematic and dynamic approach to ensure these risks are given due consideration alongside traditional risk types.

Our Prioritization Framework

Several key factors guide our prioritization process:
Potential Impact: We evaluate the magnitude of potential impacts on our business operations, financial performance, and stakeholders. This includes financial losses (e.g., potential loan defaults due to extreme weather events impacting borrowers), reputational damage (e.g., negative publicity regarding the financing of carbon-intensive activities), and disruption to our services (e.g., branch closures due to flooding).

Likelihood: We assess the likelihood of climate-related risks materializing. This considers factors like the projected frequency and intensity of climate events (e.g., using climate models to assess flood risk in specific regions), the vulnerability of our assets and operations (e.g., assessing the location of branches in relation to floodplains), and the effectiveness of existing risk mitigation measures (e.g., evaluating the adequacy of flood defenses).

Time Horizon: We consider the timeframe over which a climate-related risk may materialize. Some risks may have immediate impacts (e.g., acute events like storms), while others may have longer-term implications (e.g., chronic changes like sea-level rise).

Interdependencies: We analyze how climate-related risks interact with other risk types. For example, physical climate risks can worsen credit risk (e.g., borrowers in flood-prone areas may face increased default risk), operational risk (e.g., damage to infrastructure disrupting services), and market risk (e.g., impacting the value of assets in affected areas).

Strategic Alignment: We ensure our prioritization aligns with our overall business strategy and sustainability objectives. This ensures our risk management approach supports our long-term goals and stakeholder expectations.

Integration and Dynamic Adaptation

Climate-related risks are prioritized within our overall risk management framework, alongside traditional risk types such as credit risk, operational risk, market risk, and liquidity risk. This integrated approach ensures climate risks are factored into our decision-making processes.

Recognizing the evolving nature of climate change, our prioritization is dynamic. We regularly review and update our risk assessments and prioritization criteria to ensure they remain relevant and effective. This includes incorporating new climate data and projections, reassessing the effectiveness of mitigation measures, and adjusting priorities as needed.

Fidelity Bank is committed to continuously improving our approach to prioritizing climate-related risks. We believe our systematic and integrated approach will enable us to effectively manage these risks and contribute to the long-term resilience of our business.

Table 32: Fidelity Bank's Climate Significant Risks and Opportunities Mapping

Climate Risk Driver	Transmission Channel	Business Risk	Fidelity Bank's Internal Operations	Downstream (Bank's Customers and Portfolio)
Physical Risks				
Chronic (e.g., temperature & precipitation changes, water stress, sea-level rise)	Direct Impacts	(O) Business Disruption	Disruption of operations linked to non-viable conditions for the workforce (heatwaves, T>32°C). Increase of operational costs linked to temperature variability (increase of cooling needs).	(C); (L) Loss of assets that are dependent on natural resources due to shifts in rainfall patterns, extreme temperatures (T>32°C), water stress, sea level rise, affecting the ability of the counterparty to fulfil their contractual obligations.
Acute (extreme weather events, e.g., floods, storms, droughts, heatwaves)		(O) Property Damage	Property damage and disruption of business activities due to flooding.	(C); (L) Property damage and liabilities: destruction of assets linked to physical climate-related events (floods, droughts, heatwaves) affecting the ability of the counterparty to fulfil their contractual obligations.

Transition Risks				
Risks that arise from efforts to transition to a lower-carbon economy. These include policy, legal, technological, market, and reputational risks.	Indirect Impacts	(P); (O) Rising Energy Costs	Rising energy costs due to policies aimed at curbing fossil fuel use, including subsidy removal and carbon taxes, could result in higher operational costs for the Bank.	(P); (C); (L); (M) Asset stranding resulting from policy changes, technological shifts, and market adjustments can impact revenues in affected sectors and increase Probability of Default (PD). This poses financial risks for the Bank, especially in carbon-intensive sectors.
		(C); (R) Liabilities		Liabilities resulting from climate change-related legal action affecting the ability of the counterparty to fulfil their contractual obligations.

Legend:
- **(C):** Credit Risk
- **(L):** Liquidity Risk
- **(M):** Market Risk
- **(O):** Operational Risk
- **(P):** Policy and Legal Risks
- **(R):** Reputational Risk

The table above provides a clear and organized overview of how Fidelity Bank maps climate-related risk drivers to potential impacts on its operations and customer portfolio. By categorizing risks as physical or transitional and linking them to specific business risks, this table demonstrates a comprehensive approach to climate risk assessment.

Physical Risk Assessment

Fidelity Bank recognizes the critical importance of understanding and managing physical climate risks. These risks, stemming directly from the impacts of climate change, can significantly affect our operations, assets, customers, and the broader economy. To proactively address these challenges, we conduct a comprehensive physical risk assessment.

Our Approach

Our approach is built on a robust methodology that leverages advanced analytics and the latest climate data:

- **Climate Analytics Platform:** We utilize a Climate Analytics Platform to assess the potential impacts of physical climate risks across our entire value chain. This platform allows us to analyze how climate change may affect our operations, both now and in the future.

- **IPCC Data and CMIP6 Models:** The platform leverages climate projections from the Intergovernmental Panel on Climate Change (IPCC) database and employs the latest Coupled Model Intercomparison Project Phase 6 (CMIP6) climate models. These models, featured in the IPCC's Sixth Assessment Report (AR6), represent the most up-to-date and comprehensive climate data available.

Assessing Risks to Fixed Assets
Our assessment of physical risks to fixed assets, such as buildings, branches, and other infrastructure, involves a detailed analysis of:

- **Asset Types & Characteristics:** We meticulously catalogue the types of assets we own and their specific characteristics, including their location, age, and any existing climate resilience measures.

- **Asset Value & Replacement Cost:** We determine both the current market value and the replacement value of our assets. This allows us to assess the potential financial impact of climate-related damage and make informed decisions about risk mitigation and insurance.

- **Precise Location Mapping:** Using GPS coordinates, we precisely map the location of our assets. This enables us to overlay climate hazard maps and assess their exposure to specific risks, such as flooding, sea-level rise, and extreme heat.

Assessing Risks to the Investment/Loan Portfolio
We extend our physical risk assessment to our investment and loan portfolio, recognizing that climate change can impact the businesses and projects we finance. This assessment includes:

- **Asset Analysis:** We analyze the types of assets we finance, the business sectors they operate in (e.g., agriculture, manufacturing, real estate), and their specific characteristics, such as location, industry, and climate sensitivity.

- **Financial Exposure:** We determine our financial exposure to each asset and its replacement value. This allows us to assess the potential financial impact of climate-related damage on our portfolio and make informed lending and investment decisions.
- **Location Mapping:** Like our fixed assets, we use GPS coordinates to map the location of our financed assets. This enables us to assess their exposure to specific climate hazards and understand the potential risks to our investments.

Transition Risk Scenario Analysis at Fidelity Bank

Fidelity Bank recognizes the potential impacts of the transition to a lower-carbon economy on our business and the industries we finance. We conduct scenario analysis to assess these transition risks and inform our risk management and strategic planning.

Our Approach
We have adopted climate scenario modelling to analyze the impacts of carbon pricing and other climate transition risk drivers on our assets, portfolios, and business model. Our analysis leverages existing frameworks, such as those developed by the Network for Greening the Financial System (NGFS), to ensure alignment with best practices and available information.

Assessing Direct and Indirect Impacts
Our transition risk scenario analysis considers both the direct and indirect impacts of the low-carbon transition:

- **Direct Impact on the Bank:** We assess the direct impact of transition risks on our own operations, considering factors such as our main sector of activity, locations, Scope 1 and Scope 2 emissions, and the potential impact of evolving carbon pricing and other policies on our operational costs and energy consumption.

- **Indirect Impact via the Bank's Customers:** We assess the indirect impact of transition risks on our customers and loan portfolio, considering factors such as our exposure by sector and asset types within our loan book, our Scope 3 emissions (financed emissions), and the potential impact of evolving carbon pricing and other policies on the financial performance and creditworthiness of our borrowers in different sectors.

Outputs of the Analysis
Our scenario analysis provides insights into the following:

- **Annual direct cost implications:** The potential annual costs associated with each transition risk driver (e.g., carbon pricing, technology change, policy changes) for our own operations.

- **Annual indirect cost implications:** The potential annual costs associated with each transition risk driver for our customers in different sectors.

- **Financial impacts under different scenarios:** The potential financial impacts of transition risks and opportunities on our business activities under various climate scenarios and time horizons.

Consolidating GHG Emissions

Fidelity Bank adopts the Financial Control approach for consolidating GHG emissions, aligning our GHG emissions boundaries with our methodology for defining business operations for financial accounting and reporting. This approach also facilitates our sustainability and climate-related financial disclosures as recommended in IFRS S1 and S2 and helps us meet future reporting requirements under other jurisdictional regulatory bodies.

Understanding Different Consolidation Approaches

- **Equity Share Approach:** A company accounts for its operational GHG emissions according to its share of equity in the operation. This reflects the economic interest and the extent of rights a company has to the risks and rewards flowing from an operation.

- **Control Approach:** A company accounts for 100% of the GHG emissions from operations over which it has control. Control can be defined in financial or operational terms.
  - **Financial Control:** The ability to direct the financial and operating policies of an operation to gain economic benefits from its activities.
  - **Operational Control:** Full authority to introduce and implement operating policies at the operation.

While operational control is commonly used in non-financial reporting, the equity shares, and financial control approaches provide closer alignment between GHG accounting and financial accounting.

Organizational Boundary for GHG Emissions

Our GHG organizational boundary covers our network of interconnected business offices and digital banking channels across Nigeria, including our financial investments but excluding our subsidiary outside Nigeria.

Categorizing Operational Emissions

Operational emissions consist of direct and indirect emissions from a company's value chain.
These are categorized into three scopes:

- **Scope 1:** Direct emissions from sources owned or controlled by the organization (e.g., emissions from company owned vehicles, diesel consumption in generator sets).

- **Scope 2:** Indirect emissions from the generation of purchased energy (e.g., grid electricity, and cooling).

- **Scope 3:** Indirect emissions from both upstream and downstream value chain activities (e.g., purchased goods and services, capital goods, employee commute, business travel).

These scopes are mutually exclusive to avoid double-counting.
This approach ensures that our GHG emissions accounting is consistent with our financial accounting and reporting practices, providing a clear and transparent view of our environmental impact.

GHG Inventory Estimation Methodology for Operational Emissions

Table 33: GHG Inventory Estimation Methodology for Operational Emissions

Scope	Sources	Description	Coverage / Emission Factors	Sources	GWP
Scope 1	**Diesel Consumption in Generator Sets**	-The monthly expense data is converted to diesel consumed in litres. -The diesel consumption (in litres) is then converted to the energy value (Joules), which is then multiplied with the emissions factors to get the GHG (CO_2, CH_4 and N_2O) emissions estimation.	EF-CO_2- 74100 (Kg/TJ) EF-CH_4- 10 (Kg/TJ) EF-N_2O- 0.6 (Kg/TJ)	WRI Version 4.1/IPCC 2006 Guidelines	IPCC 6th Assessment Report Global Warming Potential, Over a 100-Year Period CO_2 - 1 CH_4 -30 N_2O-273
	Company owned vehicles	-The monthly expense data is converted to fuel consumed in litres. The fuel consumption (in litres) is then multiplied with the emissions factors to get the GHG (CO_2, CH_4 and N_2O) emissions estimation.	EF-CO_2 - 72234(KgCO_2e/TJ)	IPCC 2006 Guidelines	
Scope 2	**Grid electricity purchase**	The electricity consumption in (KWh) is multiplied with the emission factors to get the total emissions	Grid EF-CO_2-0.562 tonnes/MWh	Standard Baseline - Grid Emission Factor for the West African Power Pool	

Scope 3	**Air Travel**	-The amount of air miles travelled is multiplied with emission factors to get the total emissions.	The emissions per passenger km or miles is taken from the DEFRA datasets in units of $kgCO_2e/km$ (covering CO_2 - 1, CH_4 and N_2O)	DEFRA Conversion Factors (2020)	
			Short Haul (Domestic) - 0.576588 Medium Haul - 0.365258 Long Haul (International) - 0.426898		IPCC 6th Assessment Report Global Warming Potential, Over a 100-Year Period CO_2- 1 CH_4- 30 N_2O-273
	Cab Travel	-Individual travelled distance is summed to get the total distance travelled (kilometer) by all the employees.	EF-CO_2-0.1714 $kgCO_2e/km$	DEFRA, 2020	
	Paper Consumed	-The team collects the weight of different types of paper consumed. -This is done by multiplying the weight of each type of paper with total number of papers. -Total weight of different types of paper is then segregated based on A4 and A3 sized paper. - This segregated information is then multiplied with the respective emission factor to get the CO2 emissions	Emission factor for uncoated 20% recycled paper: 7937.86 kg CO_2e/MT of paper	Environmental Paper Network V 4.0	

	-Since the type of paper has not been provided, the emission factor has been conservatively chosen for coated non-recycled.		
Waste Disposal (Refuse)	-The team collected general office waste data -The total weight is multiplied with the emission factor to get the CO_2 emissions -Since the type of disposal has not been provided, conservative factor for disposal type landfill has been chosen.	Emission factor: 458.176 kg CO_2e/tonne	DEFRA. 2020
Staff Commuting	- The team collected data on the mode of transport used by members of staff and distance travelled	Emission factor for public transport: 0.3185 KgCO_2e/ passenger-km Emission factor: 0.2811 KgCO_2e/ vehicle-km	DEFRA. 2020

The GHG inventory for operational emissions is based on Tier 1 methodology, as outlined described in the GHG protocol: Corporate Standard. Activity data encompasses all bank locations across Nigeria. Default emission factors and global warming potentials (GWPs) have been applied as specified below.

Compliance
Financed Emissions (Category 15 Scope 3) Methodology and Approach

We calculate our financed emissions, which are the greenhouse gas (GHG) emissions associated with our lending and investment activities, under Category 15 of the Scope 3 emissions framework. Our approach follows the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard for the Financial Industry (2020), which provides a consistent, transparent, and comparable methodology tailored for financial institutions.

3.5.4. Metrics and Targets (IFRS S1: 46,50-53; IFRS S2: 29 - 37)

Metrics for Measuring and Monitoring Sustainability and Climate-Related Risks and Opportunities

Fidelity Bank uses a variety of metrics to measure and monitor its performance in relation to sustainability and climate-related risks and opportunities. These metrics are aligned with our sustainability and climate-related strategies and objectives, and they enable us to track our progress, identify areas for improvement, and demonstrate accountability to our stakeholders.

Categories of Metrics

Our sustainability and climate-related metrics fall into several key categories:

Environmental Metrics:
These metrics track our environmental performance, including our greenhouse gas emissions, energy consumption, water use and waste generation

Social Metrics:
These metrics measure our social impact, including our contributions to financial inclusion, occupational health and safety, community development, employee well-being, and human rights.

Governance Metrics:
These metrics assess our governance practices, including our board diversity, ethical conduct, and anti-corruption measures.

Economic Metrics:
These metrics track our sustainability-related financial performance such as investments in renewable energy, green finance portfolio, and the economic impacts of our operations.

Climate-related Metrics:
These metrics specifically address climate risks and opportunities, including financed emissions (Scope 3 Category 15) and progress towards climate-related targets such as net-zero alignment.

Adjustments to Metrics

In some cases, we may adjust metrics taken from sources other than IFRS Sustainability Disclosure Standards to align with our specific reporting requirements or to provide more relevant information to our stakeholders.

Reporting and Progress Tracking

We track our performance against these metrics and report on our progress in our Annual Sustainability Report. We also disclose any targets we have set, as well as any targets we are required to meet by law or regulation. This transparent reporting enables our stakeholders to assess our performance and hold us accountable for our commitments.

Continuous Improvement

We are committed to continuously improving our metrics and reporting practices. We regularly review our metrics to ensure they remain relevant and aligned with our sustainability strategy and objectives. We also engage with stakeholders to gather feedback on our reporting and identify areas for improvement.

By using a comprehensive set of metrics to measure and monitor our sustainability performance, Fidelity Bank demonstrates its commitment to transparency, accountability, and continuous improvement. We believe that this approach enables us to effectively manage sustainability and climate-related risks and opportunities, create long-term value for our stakeholders, and contribute to a more sustainable future

Table 34: Our Sustainability and Climate-related Targets and Progress Monitoring

Focus Area	Definition	Metrics and Target	Progress
Carbon Footprint	Measures the total greenhouse gas(GHG) emissions both directly and indirectly attributable to direct and indirect operations and activities, in alignment with the objective of achieving net zero emissions by 2050. GHG emissions are measured and disclosed using the GHG protocol and PCAF Methodology.	Strive for a 33.6% carbon emissions reduction in operations by 2028 against the 2023 baseline and aim for net-zero emissions by 2050 across own operations and portfolio. Carbon credits will be used to support long-term emission reduction.	In 2024, operational emissions stood at 22,081.44tCO2e, compared to 24,920.50tCO2e in 2023, reflecting progress towards the target of a 33.6% reduction by 2028. The bank remains committed to achieving net-zero emissions by 2050 and is currently exploring options for certified carbon credits to support long-term emission reductions.

Climate Risk Exposure	Conduct physical and transition risk assessment to measure the amount and percentage of portfolio assets vulnerable to climate-related risks. Evaluate the proportion of the loan and investment portfolio exposed to high-risk sectors and regions susceptible to physical and transition climate risks. Use 2023 as the baseline year.	Decrease climate risk exposure in the loan and investment portfolio by 3.5% by 2030 and achieve net-zero financed emissions by 2050	A comprehensive physical and transition risk assessment has already been conducted to measure the amount and percentage of portfolio assets vulnerable to climate-related risks. The bank has also evaluated the loan and investment portfolio to identify exposure to high -risk sectors and regions susceptible to physical and transition climate risks. We are actively working to reduce overall climate risk exposure in line with our long-term targets. In 2023, for our two green product papers, Fidelity Easy Asset Lease Scheme(Solar Power) and Green Energy Financing, we recorded 112 transactions, amounting to ₦512, 918,100. In 2024, while the count increased significantly to 482 transactions, the volume stood at ₦509,006,379. Although this reflects a variation in value, it demonstrates increased market uptake and growing demand for green financing solutions. Beyond these specific products, we continue to provide funding to businesses across various sectors that are pursuing green initiatives. In support of this momentum, we are currently developing additional green products, including the Fidelity Green App, a digital aggregator platform that will connect providers and consumers of green products and services. The bank will offer financing through this platform to consumers seeking to adopt sustainable solutions.

Energy Efficiency	This evaluates the energy utilization across every operational sector within our banking institution, taking into consideration the use of efficient systems/ equipment(such as vehicles, generators, computers, etc.) to reduce energy consumption, transitioning to renewable energy across our business offices.	Strive to implement energy efficient initiatives in our operations and reduce energy consumption by 40% by 2028	We are actively implementing energy-efficient systems and equipment across our operations, guided by our Sustainable Procurement Policy and our broader sustainability and climate-related objectives. Efforts include the use of optimized generators, fuel-efficient vehicles, and low-energy devices such as efficient computing systems to reduce overall consumption. As part of our transition strategy, we are gradually increasing the number of locations powered by renewable energy, with solar energy being a key part of our energy mix. Several branches now operate with solar panels, and some ATMs are fully powered by renewable energy. We are also exploring the use of electric vehicles(EVs) to reduce emissions from operational transport activities. Our energy use data reflects measurable progress: • Diesel consumption dropped from 4,617,144.93 litres in 2023 to 3,605,228 litres in 2024. • Fuel consumption for company-owned vehicles declined from 1,376,125.80 litres in 2023 to 1,071,295.86 litres in 2024. • As a result, Scope 1 emissions decreased from 15,749tCO2e in 2023 to 12,289.60tCO2e in 2024 • Electricity consumption from the national grid reduced from 5,743,333.40 kWh in 2023 to 5,486,200kWh in 2024, resulting in a reduction in Scope 2 emissions from 3,228tCO2e. These improvements highlight the progress made in enhancing energy efficiency across our operations, contributing to our 2028 target of a 40% reduction in energy consumption.

Green Finance	Evaluates the proportion of loans and investments in environmentally friendly projects or businesses	Increase the green portfolio that addresses climate-related opportunities to 2.5% by 2030	In 2023, we recorded 112 transactions under our green financing offerings, Fidelity Easy Lease Scheme (Solar Power) and Green Energy Financing amounting to ₦512.92 million. By 2024, transaction volume increased to 482, with a total value of ₦509.01million, indicating rising market demand for green financing despite slight value variation. Beyond these products, we continue to fund businesses pursuing green initiatives across various sectors. To scale our impact, we are developing the Fidelity Green App, a digital aggregator platform that will connect providers and consumers of green products and services, with financing support offered through the platform.
Community Impact	Measures the scale and impact of initiatives aimed at supporting local communities, including programs that fund education, support local businesses, and promote social development	Seek to increase our community outreach programs by 30% over the next three(3) years	During the reporting period, we advanced our community investment efforts across four core pillars: Environmental Sustainability and Conservation, Quality Education, Health and Social Welfare, and Youth Empowerment. These focus areas were central to building healthier, more resilient, and inclusive communities. Our community initiatives were delivered though three main platforms: •Fidelity Helping Hands Programme(FHHP): a staff-led volunteer initiative that supported local communities. •Strategic sponsorships: centrally funded projects that delivered long-term impact •Collaborations and Partnerships: joint efforts with local and international organizations that drove meaningful solutions. In 2024, donations and gifts to charitable organizations amounted to ₦1.55 billion,

			compared to ₦819.82million in 2023. This increase reflects our growing commitment to transformational, high-impact projects. We remain focused on strengthening community relations, fostering inclusive development, and increasing our outreach efforts.
Occupational Health and Safety	Covers the Bank's commitment to ensuring a safe and healthy work environment for all employees, measured through employee safety performance, regulatory compliance, and ongoing training and awareness	•Employee Safety Improvement: Achieve a 20% reduction in Lost Time Injury Frequency Rate(LTIFR) compared to the previous year. •Compliance with OHS Regulations: Achieve 98% compliance with all OHS regulations by the end of the reporting period. •Employee Training and Awareness: Ensure 100% of employees receive OHS training and awareness sessions annually.	•Employee Safety Improvement: In 2024, zero fatalities were recorded. High-consequences injuries decreased from 2 in 2023 to none. Recordable injuries improved from 15 cases (1.12 per 100,000 hours worked) in 2023 to less than 1.0 per 100,000 hours in 2024. LTIFR was reduced by an estimated 25% from the previous year. •Compliance with OHS Regulations: 98% compliance was achieved by the end of 2024, supported by increased awareness and internal publications promoting adherence to OHS requirements. •Employee Training and Awareness: In 2023, 98% of employees completed OHS training. In 2024, 100% of internal , OHS, security, and safety staff completed training, with additional participation from other employees to strengthen compliance and awareness.
Human Rights	Covers the Bank's commitment to upholding and promoting human rights across all operations by ensuring full compliance with internal policies and maintaining a zero-tolerance approach towards violations	Achieve full compliance with Human Rights policies and procedures, and maintain a zero-tolerance approach towards all forms of human rights violations	The Bank remained committed to upholding human rights by ensuring full compliance with its internal Human Rights policies and procedures in 2024. No incidents of human rights violations were reported during the period, reflecting the effectiveness of ongoing awareness initiatives and a strong zero-tolerance approach across all operations.

			The Bank continues to reinforce its stance through employee sensitization and integration of human rights considerations into our business operations and activities.
Employee Satisfaction	Measures the overall well-being, engagement, and satisfaction of employees, based on factors such as recognition, compensation, work culture, and professional development opportunities	• Conduct in-person meetings or online surveys with our employees to identify and discuss issues that are critical to them quarterly. • Reduce employee turnover by 5% annually, using 2023 as our baseline which will reflect overall employee satisfaction. • Introduce initiatives to engage our employees annually such as wellness program, recognitions and awards program. • Introduce learning opportunities for our employees to learn new skills and increase our learnings participation records by 5% annually	The Bank continues to prioritize employee satisfaction through a range of initiatives aimed at promoting engagement, well-being, and professional growth. Quarterly surveys and engagement meetings were conducted to better understand employee needs and concerns. To improve retention, targeted actions such as compensation adjustments were implemented. For IT staff specifically, compensation was increased to exceed industry benchmarks. We maintained our commitment to continuous learning through multiple channels. Training was delivered via our Electronic Learning Management System (ELMS), Microsoft Teams for virtual sessions, and in-person classes supported by internal and external facilitators. Programs such as the Banking School, Induction Trainings, Thursday Lecture Series, and department-led session ensured structured knowledge development. These efforts collectively helped to drive strong learning participation and foster a culture of continuous professional growth. The Bank also introduced wellness and mental health initiatives , including Mental Health Awareness Webinar, and continues to recognize and reward staff to foster a positive and inclusive work culture.

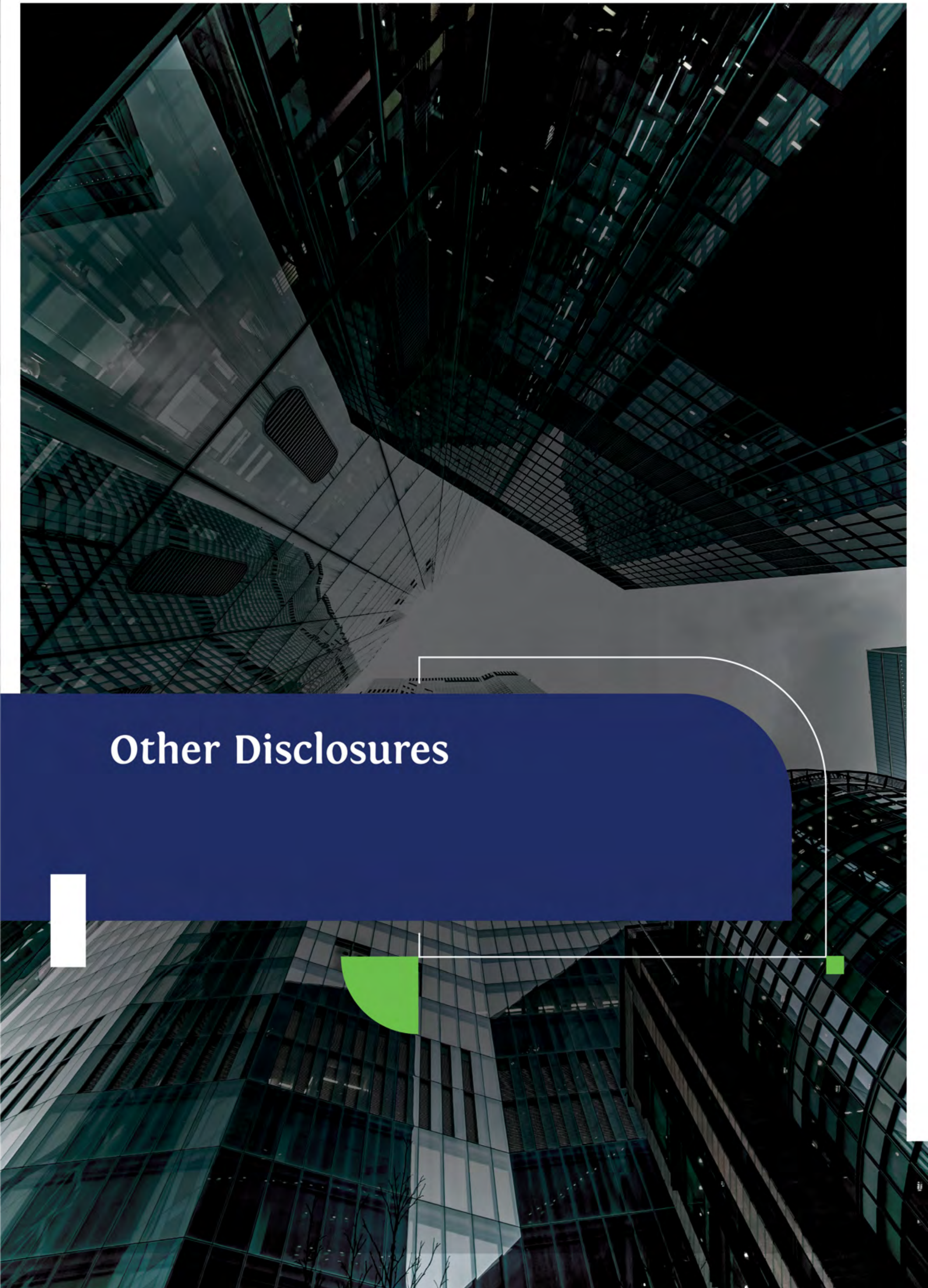
Financial Inclusion	Measures efforts to expand access to financial services for under-represented segments of the community by promoting account ownership, digital solutions, and financial literacy.	With 2023 as the baseline, boost account ownership among under-represented segments and sectors by 10% annually through digital solutions and financial literacy initiatives. Increase loans to small businesses by 10% annually to support local entrepreneurship and the informal sector	In 2024, the Bank advanced financial inclusion by expanding access and promoting financial literacy amongst youth, women, MSMEs, underserved communities. Over 7,000 student accounts were opened through campus activations. Rural women received financial education and were onboarded as POS agents. The Bank supported MSMEs through targeted lending and training, and expanded its Agency Banking network to over 35,000 agents with 7,000 + POS terminals. Digital solutions enhanced financial access, while digital skills training reaching over 6,000 women strengthened female-led businesses. These efforts underscore the Bank's commitment to inclusive finance, aligning with the Central Bank of Nigeria's focus on deepening financial inclusion amongst priority segments-women, youth, MSMEs, rural communities, and the northern region-to ensure equitable access to financial services across all demographics. Fidelity Bank serves as the Secretariat of the Financial Literacy and Public Enlightenment Sub-Committee of the Bankers' Committee, with our MD/CEO acting as the Chairperson. The Sub-Committee is dedicated to promoting financial inclusion in Nigeria by driving nationwide awareness campaigns, educational programs, and stakeholder engagement to empower individuals and communities with the knowledge and tools needed to make informed financial decisions.

Anti-corruption	Measures the effectiveness of systems and practices that promote transparency and prevent corruption, including bribery, fraud, extortion, and money laundering, in compliance with applicable laws and regulations	• Conduct quarterly awareness trainings for employees at all levels on anti-corruption issues. • Deploy an annual anti-corruption learning module requiring employees to read and acknowledge the Bank's anti-corruption policies. • Improve whistleblower protections to encourage safe reporting and significantly increase the number of reported corruption cases through official channels. • Achieve a 5% annual reduction in identified incidents of corruption	During the reporting period, Fidelity Bank continued to demonstrate a strong commitment to anti-corruption through regular risk assessments, targeted training, and strict internal controls. Employees and board members received ongoing education on anti-corruption policies, supported by quarterly awareness sessions and an annual learning module. The Bank remains committed to whistleblower protections to promote safe reporting and enhance transparency. Our procurement practices incorporate rigorous checks, including vendor due diligence and multi-level payment approvals. There were no confirmed incidents of corruption during the reporting period, reflecting the effectiveness of these measures.
Compliance with Regulations	Prioritizes adherence to all relevant frameworks governing business operations, demonstrating commitment to ethical conduct, legality, transparency, and stakeholder trust.	Achieve zero incidences of regulatory sanctions or penalties	Fidelity Bank remains committed to ethical conduct, regulatory compliance, and transparency. Despite this commitment, total regulatory penalties increased to ₦71.28 million as at 31 December 2024(2023: ₦42.96 million), driven mainly by cash shortages (₦27.28m), AML/CFT infractions (₦24m), and reporting delays (₦12m). This rise reflects gaps in reporting timelines and documentation. In response, the Compliance Division has launched targeted training, strengthened real-time monitoring, and increased audits to address high-risk areas. The Bank remains focused on achieving its zero-penalty target through proactive risk mitigation and enhanced regulatory engagement in 2025.

Gender Inclusion and Diversity	Reflects progress and commitment to gender equality, diversity, and inclusiveness across board membership, senior executives, and all levels of employment	Attain 35% female representation in top management and senior executives by 2030	Fidelity Bank has demonstrated continued commitment to gender inclusion and diversity, with notable progress at the overall staffing level. Female representation amongst total staff increased from 50% in 2023 to 52% in 2024, reflecting balanced gender hiring and retention practices across the workforce. This positive trend signifies a healthy pipeline of female talent that could be developed for leadership roles. At the governance level, female representation on the Board remained steady at 29% for both 2023 and 2024. While this figure is just below the 2030 target of 35% , the consistency shows a maintained presence of women in decision-making roles and offers a stable foundation for further improvement. In top management (AGM to GM level), the number of women increased from 2 to 17 year on year indicating expanded female participation in leadership, but their proportional representation declined from 33% to 27% as the total number of senior roles grew. Fidelity Bank remains committed to meeting 35% female representation by 2030 at the top management and board levels.
Data Privacy and Cybersecurity	Represents ongoing efforts to identify emerging cyber threats, implement robust security measures, and educate staff and customers to reduce cybersecurity risks and data breaches.	Continuously eliminate potential cyber vulnerabilities and privacy breaches to maintain a secure and safe cyber environment	During the reporting year, Fidelity Bank maintained a strong focus on data privacy and cybersecurity as part of its commitment to eliminating potential cyber vulnerabilities and privacy breaches. The Bank continued to invest in strengthening its cybersecurity infrastructure, implementing advanced threat detection systems, and regularly updating security protocols to address emerging risks.

			In addition, targeted awareness programs and training sessions were conducted for staff and customers to reinforce safe cyber practices and reduce the risk of human-related breaches. These efforts continued to a more secure digital environment and aligned with Fidelity Bank's objective of maintaining a safe and resilient cyber ecosystem. Fidelity Bank remains committed to continuously improving its data protection framework to ensure the confidentiality, integrity, and availability of information across all platforms.
Responsible Lending	Ensures fair, transparent, and regulatorily compliant lending practices , guided by the Bank's Environmental and Social Risk Management(ESRM) Policy, with a focus on rigorous credit evaluations and strong ESG risk management	Adhere to the Bank's defined protocol to uphold global ESG standards in all loans and investments	During the reporting year, our commitment to responsible lending was reinforced through strict adherence to the Bank's Environmental and Social Risk Management (ESRM) Policy. 99.95% of credit facilities underwent rigorous evaluation to ensure alignment with both global and national Environmental, Social , and Governance (ESG) standards. The Bank applied enhanced due diligence to high-impact sectors and ensured that all lending activities complied with regulatory requirements and internal ESG risk management protocols. By embedding ESG considerations into credit assessments, we upheld our commitment to fair, transparent, and sustainable financing practices across the portfolio.
Tax Management	Measures the Bank's ability to manage tax-related risks and opportunities through effective tax governance. This includes maintaining a competitive Effective	Maintain an Effective Tax Rate(ETR) at or below the industry average, ensure full compliance with tax disclosure and regulatory requirements , minimize tax infractions and penalties, and uphold adequate tax provision and timely	In 2024, Fidelity Bank maintained a strong tax governance framework focused on compliance, transparency, and efficiency. The Bank ensured timely and accurate filing of all tax returns, upheld adequate tax provisions, and met all remittance obligations to relevant authorities

		remittances to relevant authorities on annual basis.	without incurring penalties or infractions. The total tax expense for the year amounted to ₦110.143 billion, comprising ₦96.811billion in income tax and ₦13.331 billion in windfall tax. This reflects the Bank's continued commitment to responsible tax practices and fiscal accountability. Through continuous monitoring and alignment with applicable tax regulations, Fidelity bank sustained an Effective Tax Rate(ETR) that remained competitive and in line with industry benchmarks . The Bank also prioritized full compliance with evolving disclosure requirements, reinforcing its commitment to responsible tax management. These efforts reflect Fidelity Bank's focus on minimizing tax-related risks while supporting long-term financial performance and maintaining stakeholder trust.
Data Security and Customer Privacy	Measures the Bank's ability to manage data security and customer privacy risks and opportunities in alignment with regulatory requirements and strategic objectives. This includes tracking the number of data breaches, compliance with the Nigerian Data Protection Act (NDPA) and NDPR, privacy-related complaints, and employee training on data protection protocols	•Regulatory Compliance: Ensure continuous compliance with the NDPA, NDPR, and all other applicable privacy regulations throughout the reporting year, with quarterly monitoring and prompt communication of any regulatory updates. •Employee Training: Implement a comprehensive Privacy Training Program. Ensure that all new employees complete mandatory data protection training within 90 days of onboarding, with periodic updates to training content based on feedback and changes in regulatory requirements	In 2024, Fidelity Bank continued to strengthen its data protection framework by enhancing governance, employee awareness and regulatory compliance. The Bank maintained alignment with the Nigerian Data Protection Act (NDPA) and the Nigeria Data Protection Regulation (NDPR) through a structured process of quarterly compliance reviews and prompt response to regulatory developments. A key component of the Bank's privacy strategy was the implementation of a comprehensive Privacy Training Program, All new employees were required to complete mandatory data protection training within 90 days of onboarding, with regular updates to the training content based on internal feedback and evolving regulatory standards. While data security threats continue to evolve, Fidelity Bank remains committed to preventing data breaches and protecting customer information through robust controls and continuous system monitoring. Customer satisfaction with privacy practices remained a focus area, with privacy-related complaints promptly addressed in line with established protocols. Through ongoing investment in security infrastructure and staff training, Fidelity Bank aims to uphold the highest standards of data privacy and reinforce customer trust.



Other Disclosures

3.6. Case Studies Demonstrating Sustainability Impact (Informed by GRI Standards - For Reference Only)

This section of our Sustainability and Climate Report presents disclosures and highlights informed by leading sustainability standards and frameworks, including the GRI Standards. It showcases how we embed sustainability into our core business operations and activities. Through visual storytelling and narrative case studies, we highlight our contributions across the three key pillars of ESG - Environmental, Social, and Governance. These examples demonstrate our continued efforts to address the issues that matter most to our stakeholders, reinforcing our commitment to transparency, accountability, and sustainable development.

Case Study 1: Advancing Clean Energy Across and Beyond Our Operations

Clean Energy Implementation Across Our Facilities

Commissioning of the Anambra State Internal Revenue Service (AIRS) Solar Powered Tax Hub

As part of our commitment to environmental sustainability and reducing our carbon footprint, we have expanded the use of solar power across our operations. Over 65 branches, more than 174 ATMs, and head office locations are now powered by solar energy. Our head office has also been migrated to a dedicated grid, enabling more efficient energy use. By steadily increasing the share of solar in our energy mix, we have achieved a notable reduction in diesel consumption and carbon emissions.

In line with our climate goals, we partnered with the Anambra State Internal Revenue Service (AiRS) to commission 10 solar-powered Tax Hubs across markets in Anambra State. These hubs are equipped with 24-hour solar power, laptops, printers, enumerators, and tax assessment officers, supporting a seamless and inclusive tax payment process. This initiative aligns with our corporate social responsibility goals and contributes to improved revenue collection infrastructure at the grassroots level.

The commissioning took place on September 24, 2024, and was attended by key stakeholders including Dr. Greg Ezeilo, Executive Chairman of AiRS; Mr. Ernest Ezeajughi, Chief of Staff to Governor Chukwuma Charles Soludo; and representatives of Fidelity Bank staff.

This partnership demonstrates our proactive approach to embedding sustainability while contributing to economic development and digital financial inclusion at the community level.

Case Study 2: Financing Clean Energy Solutions for Households and Businesses

Driving Sustainable Energy Access through the Fidelity Green Energy Finance Loan and Fidelity Easy Access Scheme

In furtherance of our commitment to advancing sustainability through our business activities, we offer financing solutions that support the adoption of clean energy technologies. Through our Green Energy Finance Loan and Fidelity Easy Lease Scheme, we provide funding for solar panels, inverters, and batteries, making renewable energy systems more accessible to individuals and businesses.

In 2023, we recorded 112 transactions under our green financing offerings, amounting to ₦512.92 million. By 2024, transaction volume increased significantly to 482, with a total value of ₦509.01 million, reflecting a growing market demand for clean energy financing despite slight value variation.

Beyond these dedicated products, we continue to fund businesses pursuing green initiatives across various sectors. To further scale our impact, we are developing the Fidelity Green App, a digital aggregator platform that will connect consumers with providers of green products and services, supported by financing options available through the platform.

Case Study 3: Promoting Environmental Sustainability Through Strategic Public-Private Collaboration

Fidelity Bank Partners with Lagos State Government on Tree Planting Initiative






In line with our dedication to environmental sustainability, we partnered with the Lagos State Government in the reporting year to support the planting of 5,000 ornamental trees across Lagos State. This initiative, carried out through the Lagos State Parks and Gardens Agency (LASPARK), was aimed at addressing climate change, enhancing urban green spaces, and promoting sustainable living.

Fidelity Bank contributed to the initiative by sponsoring the planting of 2,000 trees, supporting the state's broader goal of fostering climate resilience and improving environmental quality in urban areas. The project formed part of the Bank's strategic focus on climate action and its alignment with national and global sustainability objectives.

The initiative was launched during the Lagos State Tree Planting Day at the State House in Marina, where the Governor of Lagos State, Mr. Babajide Sanwo Olu, emphasized the importance of long-term commitment to environmental stewardship. He noted that "a deliberate effort towards ensuring that tree planting becomes a lifestyle should be encouraged for the benefit of the planet."

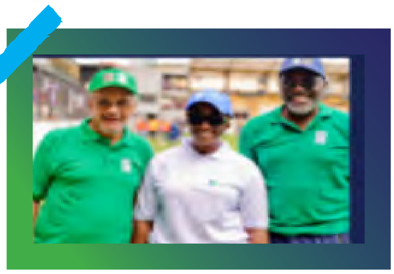
This collaboration contributed to the Bank's environmental impact objectives for the year and demonstrated our continued efforts to support practical, community-focused solutions for environmental conservation.

Case Study 4: Advocating for Land Restoration and Environmental Sustainability

Walk for Nature 2024





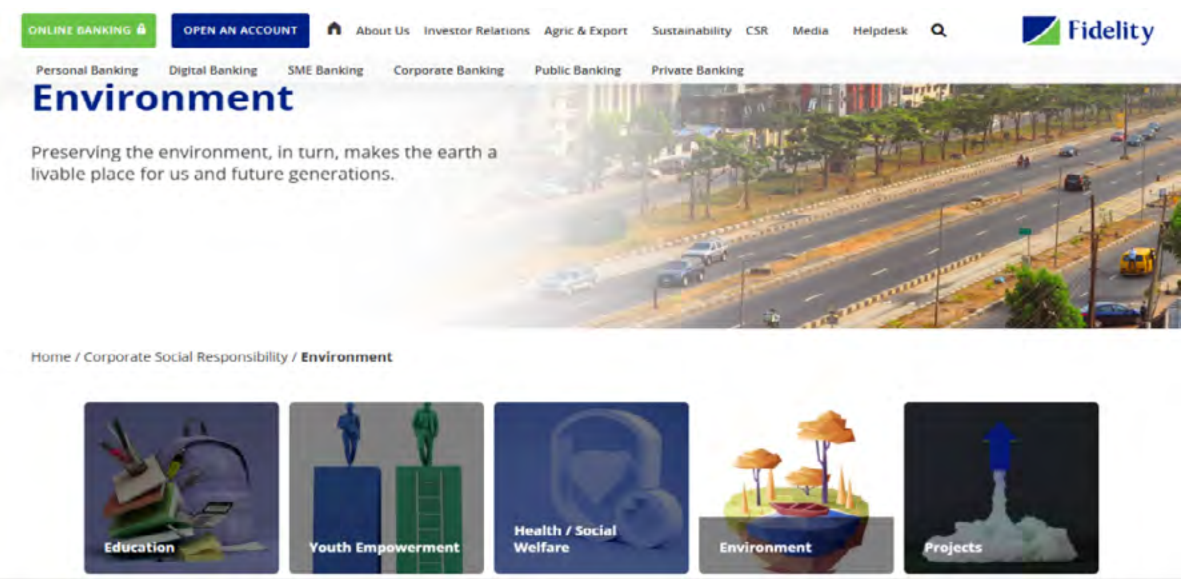
Fidelity Bank participated in the 18th edition of the Walk for Nature held on October 19, 2024. This annual environmental awareness event was organized by the Nigerian Conservation Foundation (NCF) in collaboration with the Lagos State Ministry of Environment and Water Resources. This year's event was themed "Land Restoration, Desertification, and Drought Resilience", with the slogan "Our Land, Our Future Generation". The 4.5km walk brought together stakeholders and citizens to raise awareness about environmental sustainability and promote responsible action towards a greener future.

The event aimed to inspire collective responsibility for the environment and reinforce the importance of restoring and preserving natural ecosystems. Our participation demonstrates our continued dedication to promoting sustainable development and enhancing climate resilience.

As a Gold Member of the Nigerian Conservation Foundation, Fidelity Bank continues to sponsor and support conservation focused initiatives that align with national and global sustainability goals. The Bank remains dedicated to environmental stewardship and empowering communities to take action for a more sustainable future.

Case Study 5: Standing with Communities in Times of Crisis

Supporting Flood Recovery and Building Climate Resilience in Borno State



In 2024, Fidelity Bank joined other Nigerian banks in demonstrating solidarity and swift humanitarian response to flood-affected communities. Through the Bankers' Committee, Fidelity Bank contributed ₦20 million to the Flood Disaster Support Fund, which was directed to the Borno State Government to assist residents of Maiduguri displaced by severe flooding.

As floodwaters overwhelmed homes and disrupted livelihoods, our support helped deliver critical relief items such as rice, vegetable oil, mattresses, and beverages to hundreds of affected families. This effort provided not only emergency relief but also hope to vulnerable communities struggling with the immediate aftermath of climate-related disasters. to building community resilience and supporting adaptation to climate change. It also reinforces the banking sector's collective role in promoting social stability and public welfare during times of national distress.

We recognize that supporting affected communities goes beyond financial aid. It is about reaffirming shared humanity and contributing to the long-term recovery of people and places hit hardest by environmental crises.

Case Study 6: Promoting Environmental Health and Hygiene in Lagos Schools through Recycle Bin Donation

Supporting Schools with Recycle Bins

Fidelity Bank donated giant recycle bins to several public schools across Lagos, including Queens College, Federal Science and Technical College, National Primary School in Yaba; CMS Grammar School, Bishop Howell Memorial Grammar School, and Great Destination School in Bariga; as well as Gbagada Senior Grammar School, Lanre Awolokun High School, Oduduwa Junior High School, and Gbagada Junior High School in Gbagada. This initiative supports responsible waste management and hygiene practices in educational institutions.

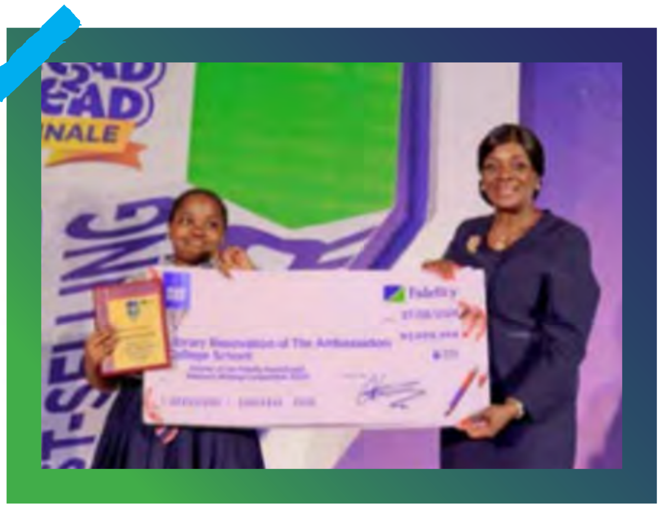
By equipping schools with appropriate waste sorting infrastructure and promoting environmental education, the project contributes to mitigating environmental contamination and reducing the spread of diseases such as cholera. It also reinforces the importance of sustainable waste disposal in the fight against global warming.

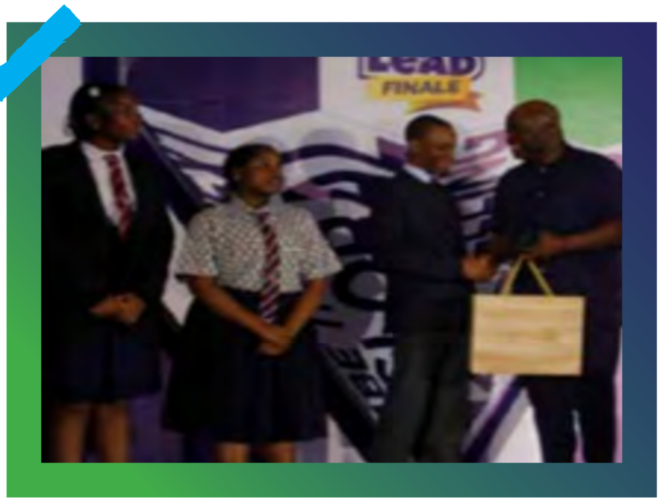
The impact of this initiative is significant: schools are now better prepared to manage waste effectively, fostering healthier and safer environments for students and the wider community. This effort supports government strategies to improve public health and environmental sustainability, while nurturing environmentally conscious behaviours amongst young people that will extend into adulthood.

Through these actions, Fidelity Bank demonstrates its commitment to advancing sustainability and community well-being by addressing critical environmental challenges in Lagos.

Case Study 7: Empowering Young Minds through Literacy

Fidelity Bank Read2Lead Initiative





At Fidelity Bank, we believe in the transformative power of reading and writing. Through the Read2Lead initiative, we nurture the boundless potential within every child by encouraging a lifelong passion for literacy. The competition empowers young minds, inspires creativity, and promotes self-expression, anchored in our belief that readers are leaders.

Winners of the competition are recognized with opportunities that support their personal development and contribute to the improvement of their school libraries, ensuring the impact extends beyond the individual to benefit entire learning communities.

By sparking imaginations and strengthening reading culture at an early age, Read2Lead contributes meaningfully to youth development and educational equity, reinforcing our commitment to inclusive and sustainable growth.

Case Study 8: Expanding Access to Education and Wellbeing in Communities

Donation of Back to School Items and Dignity Kits to Students in Selected Schools

In furtherance of our commitment to promoting quality education and community development, Fidelity Bank continued to implement impactful interventions through the Fidelity Helping Hands Programme.

During the reporting period, we supported several communities through donations that addressed both educational access and student wellbeing. As part of our Back to School campaign, we distributed school bags and learning materials to pupils across several schools including Olambe Community Primary School in Ogun State, Aguda Grammar School, and Ideal Girls Junior High School in Surulere. These donations were aimed at easing the financial burden on families and helping students return to school equipped and motivated to learn.

We also promoted menstrual hygiene awareness by donating ecofriendly sanitary materials to students at Surulere Girls Secondary School. This initiative supports girls' education by helping to reduce absenteeism and promoting dignity, confidence, and health for adolescent students.

These interventions reflect our continued commitment to advancing Sustainable Development Goal 4 Quality Education while also addressing health and gender related barriers to learning. Through Fidelity Helping Hands, we are empowering students, supporting families, and strengthening educational outcomes across several schools and communities.

Case Study 9: Empowering the Next Generation Through Financial Education

Financial Literacy Initiatives








As part of our commitment to promoting financial inclusion and literacy, Fidelity Bank plays a leading role in driving financial education across Nigeria. Serving as the Secretariat of the Financial Literacy and Public Enlightenment Sub Committee of the Bankers' Committee, with our MD/CEO as Chairperson, we work to create meaningful change through strategic outreach and nationwide engagement.

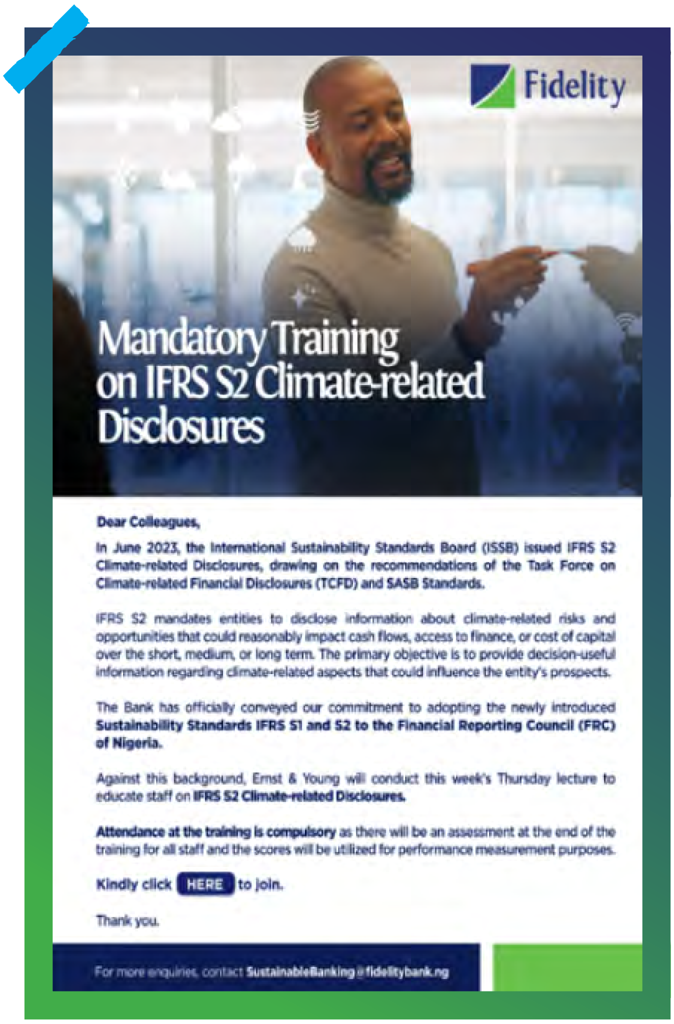
In March 2024, we actively participated in Global Money Week, reaching students in 11 states across Nigeria through school mentoring programs focused on basic financial education. These sessions equipped young minds with practical knowledge on budgeting, saving and responsible money habits.

Again in October, to commemorate World Savings Day, we organized tailored sessions for children, introducing them to the concept of savings in a fun interactive way, instilling the values of discipline and future planning from an early age.

Through these initiatives, Fidelity Bank continues to enlighten, inspire and prepare students across Nigeria to become financially empowered citizens.

Case Study 10: Strengthening Sustainability Governance and Reporting: Comprehensive IFRS S1 and S2 Training for All Staff

IFRS S1 and S2 Training



In support of Nigeria's pledge at COP27 to early adoption of the IFRS Sustainability Disclosure Standards, Fidelity Bank took proactive steps to build organization-wide capacity during the reporting period. The Bank implemented comprehensive training on the IFRS S1 and IFRS S2 standards, developed by the International Sustainability Standards Board (ISSB).

IFRS S1 outlines general requirements for disclosing sustainability-related risks and opportunities affecting an entity's financial performance, while IFRS S2 focuses specifically on climate-related disclosures, aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

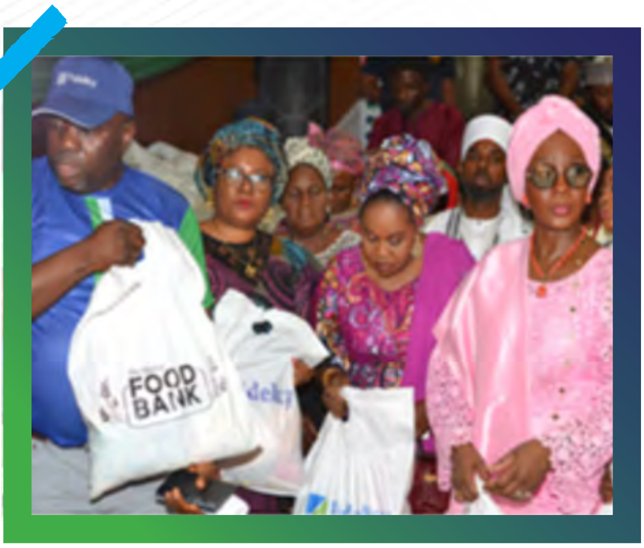
These standards improve the comparability, consistency, and transparency of sustainability information across organizations and jurisdictions, supporting better-informed decision-making by investors, regulators, and other stakeholders.

Fidelity Bank engaged Ernst & Young (EY) as facilitators to deliver the training for the Board and all staff. Attendance was compulsory for all staff, with assessments conducted at the end of the program. The scores were incorporated into performance evaluations, reinforcing sustainability knowledge as a critical component of employee development.

This initiative significantly enhanced the Bank's readiness for global sustainability reporting standards and underscores our commitment to transparent and accountable reporting.

Case Study 11: Fighting Hunger and Supporting Vulnerable Communities Through the Fidelity Food Bank

Fidelity Food Bank Initiative



In furtherance of our commitment to social welfare and community wellbeing, Fidelity Bank continued to tackle hunger and food insecurity through the Fidelity Food Bank initiative.

During the reporting period, we reached out to several communities across Nigeria, providing essential food support to vulnerable groups facing economic and humanitarian challenges.

In Benue State, we supported Internally Displaced Persons (IDPs) at the Ikyogen Cattle Ranch and Jato Aka camps in Kwande Local Government Area, where families displaced from their homes received food items to ease the burden of hunger and restore a sense of dignity during a difficult time.

We also partnered with the Office of the First Lady of Kwara State to distribute over 2,000 food packs to residents in Ilorin, contributing to ongoing state-level efforts to address food insecurity and protect the wellbeing of disadvantaged households.

These interventions form part of our wider efforts to promote Sustainable Development Goal 2: Zero Hunger, while reinforcing our belief that building stronger communities begins with meeting their most basic needs.

Since inception, the Fidelity Food Bank has impacted over 100,000 individuals across Nigeria's six geopolitical zones demonstrating our commitment to long-term, inclusive support for those who need it most.

Case Study 12: Supporting Maternal Health in Local Communities Through Maternity Kit Donations

Donation of Maternity Kits to Pregnant Women

As part of our continued efforts to improve community health and well-being, Fidelity Bank donated maternity kits to expectant mothers at Aiyetoro Primary Health Centre in Yaba LCDA and Mushin Primary Health Centre in Lagos State.

This impactful intervention was led by the Crestcore Inductees Class under the Fidelity Helping Hands Programme FHHP while the Mushin outreach was driven by the Great Minds Inductees Class. The initiative was designed to reduce the financial burden of childbirth for economically disadvantaged women and to encourage increased participation in antenatal care. Each maternity kit contained essential items required for safe delivery with the goal of supporting both maternal and neonatal health outcomes.

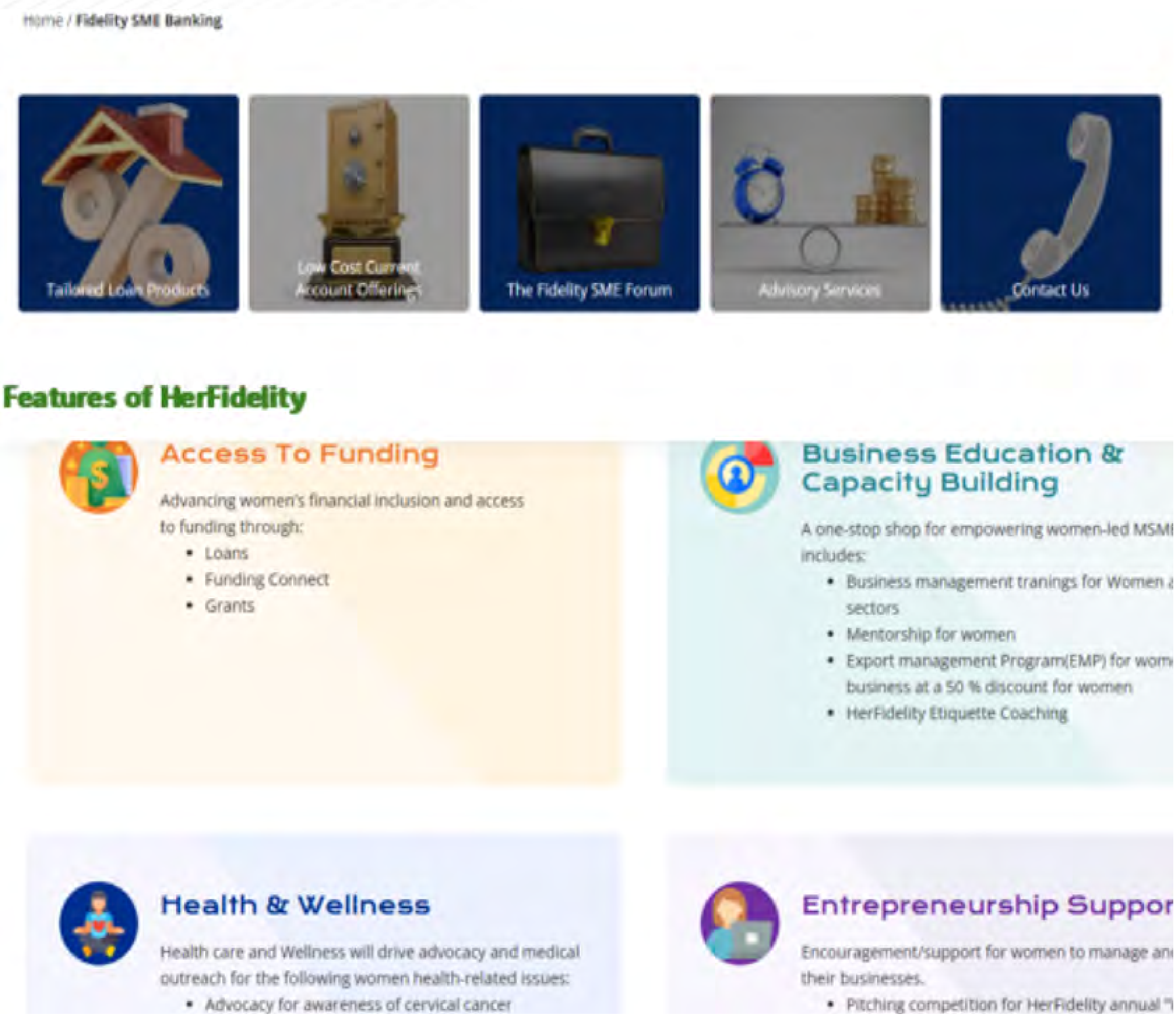
The initiative responded to a pressing need in low income communities where the cost of care often prevents pregnant women from accessing essential health services. By providing these kits Fidelity Bank helped promote safer deliveries and reduce the risks associated with maternal mortality in the beneficiary areas.

The impact was immediate and deeply felt. One of the recipients Sekinat Aderoju shared her gratitude "We are happy to be amongst the beneficiaries to receive the maternity kits and we thank Fidelity Bank for their support."

This project is a reflection of Fidelity Bank's strong commitment to Sustainable Development Goal 3 Good Health and Wellbeing and to building healthier communities through practical people centred initiatives.

Case Study 13: Empowering MSMEs and Women-Owned Businesses for Inclusive Growth

Targeted Support and Financing to MSMEs and Women Entrepreneurs



In 2024, Fidelity Bank reinforced its commitment to inclusive growth by delivering targeted financial solutions, capacity building programs, and digital skills training focused on empowering women entrepreneurs and underserved communities. Over 6,000 women participated in digital skills training programs, gaining essential business and digital management skills to strengthen their enterprises.

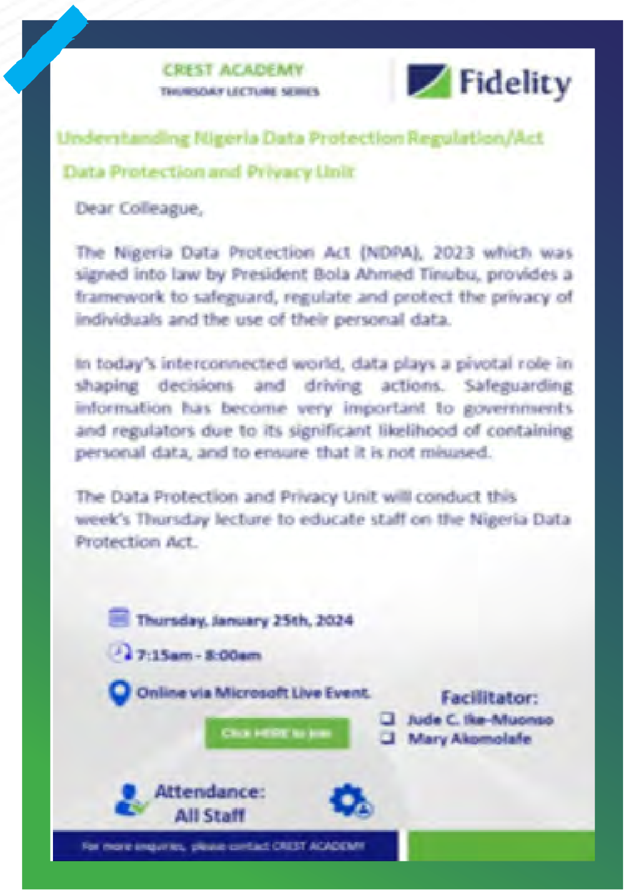
The Bank supported financial inclusion through initiatives such as onboarding rural women as Points of Sale (POS) agents, creating income opportunities and enhancing financial access. Financial literacy and wellness programs further supported women's economic resilience and well-being.

Fidelity Bank recognizes that empowering women does not only transform individual lives. It uplifts families, strengthens communities, and drives long term societal development. By enabling women to participate more fully in the economy, the Bank helps foster intergenerational progress and inclusive prosperity.

These efforts contribute to national development goals and align with the Central Bank of Nigeria's National Financial Inclusion Strategy (CBN NFIS), which prioritizes inclusive access for women, youth, MSMEs, Northern Nigeria and underserved communities.

Case Study 14: Strengthening Ethical Conduct and Data Responsibility Through Training

Ethical Practices and Data Privacy Across All Levels



At Fidelity Bank, our commitment to ethical conduct is reinforced through robust bank wide training programs on anti-bribery anti-corruption anti-money laundering (AML) counter financing of terrorism (CFT) and data protection.
In 2024 the Bank ensured that all employees from entry level staff to the Board of Directors received targeted training to uphold these critical standards.

Quarterly awareness sessions and annual compliance modules focused on corruption prevention AML,CFT and ethical decision making reinforced our zero-tolerance approach and promoted a culture of integrity and transparency.

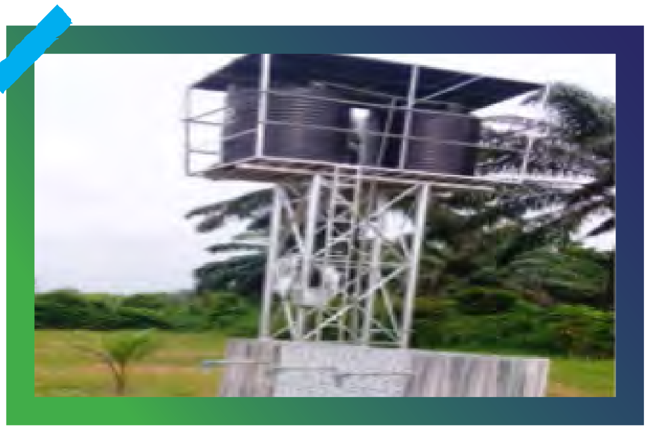
All new employees also completed mandatory data protection training within 90 days of joining with regular updates aligned to the Nigeria Data Protection Regulation (NDPR) and Nigeria Data Protection Act (NDPA).

Dedicated teams worked together to deliver training, monitor compliance and adapt policies in response to evolving regulatory landscapes and operational risks. These coordinated efforts helped ensure consistent implementation across all business units and functions.

By embedding ethics, data responsibility and financial crime compliance into everyday operations and with strong leadership support, Fidelity Bank continues to build a resilient trustworthy institution grounded in accountability at every level.

Case Study 15: Enhancing Community Well-being Through Solar-Powered Water Access

Commissioning of Solar-Powered Borehole Facility in Eyosung Community, Udung LGA, Akwa Ibom State- A CSR Initiative by Risk Management Directorate under the Fidelity Helping Hands Programme



At Fidelity Bank, we recognize that access to clean and reliable water is fundamental to improving health, education, and economic opportunities. As part of our sincere commitment to sustainable development, the staff of the Risk Management Directorate, through the Fidelity Helping Hands Programme (FHHP), donated a solar-powered borehole facility to the Eyosung Community in Udung Uko Local Government Area, Akwa Ibom State. This project reflects our dedication to supporting communities and contributing to their long-term growth.

During the commissioning, our Executive Director and Chief Risk Officer, Mr. Kevin Ugwuoke, represented by Mrs. Kufre Edem, Regional Head, Cross River and Akwa Ibom, emphasized how the initiative aligns with the United Nations Sustainable Development Goals by promoting clean energy access and improving community water sustainability. The facility is designed to benefit over 8,000 people, including 2,500 students and 25 teachers, by providing safe water to approximately 1,000 households. This reduces the community's dependence on unsafe water sources and saves valuable time that would otherwise be spent fetching water.

The Governor of Akwa Ibom State, Umo Eno, represented by Commissioner Frank Archibong, commended Fidelity Bank's contribution and stressed the importance of the community's role in preserving the facility.

Prior to the implementation, Dr Tonna Ezema, Head of Sustainable Banking, conducted a comprehensive needs assessment to ensure the project would effectively address the community's specific needs.

This initiative exemplifies Fidelity Bank's ongoing commitment to generating meaningful social, environmental, and economic benefits in underserved communities. It represents more than a donation; it is an investment in sustainable growth and improved quality of life.

3.7. 2024 PRB Progress Report

Principle 1:
Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

Links & references
[2024 Annual Report]
Fidelity Bank 2024 Annual Report

Response
Fidelity Bank Plc is a full-fledged commercial bank with 3,127 employees that services over 9.1 million customers across its 251 business offices, and various digital banking channels in Nigeria.

We began operations as a merchant bank, and by 1999, we converted to a commercial bank. In 2023, Fidelity completed the acquisition of Union Bank UK (now FidBank UK limited)

Our financial solutions span corporate and trade finance, treasury and investment services, retail banking, and wealth management, with a strong focus on empowering Micro, Small, and Medium Enterprises (MSMEs). As part of our commitment to financial inclusion and innovation, we are rapidly advancing our retail banking strategy through digitization.

Strategy alignment
Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF),
the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic pollution etc.
Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

Links & references
Fidelity Bank 2024 Sustainability and Climate Report

Response

Fidelity Bank aligns its strategy and operations with all 17 Sustainable Development Goals, the Paris Climate Agreement, and other key international frameworks. We integrate environmental and social considerations across our financing activities using the IFC Performance Standards and apply the Equator Principles to all project-related financing above $10 million. Our internal policies and frameworks guide responsible decision-making and are supported by measurable targets that reflect our climate ambitions and broader sustainability commitments. We continue to stay abreast of emerging global priorities such as plastic pollution and biodiversity loss. Our alignment with the CBN Nigerian Sustainable Banking Principles further reinforces our focus on inclusive growth, environmental stewardship, and robust governance.

Principle 2:
Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target- setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.
The impact analysis should include assessment of the relevance of the four priorities laid out in **Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector,** as part of its initial or ongoing impact analysis.

Links & references
Fidelity Bank 2024 Sustainability and Climate Report

Scope and Impact Identification

Fidelity Bank conducted a Double Materiality Assessment (DMA) to identify the most significant impacts, risks, and opportunities across our value chain, covering both operational and financed activities. This process leveraged globally recognized sustainability standards, including the ESRS as well as IFRS S1 and S2, and involved mapping impact pathways to understand how our activities affect people, the environment, and the broader economy.

Portfolio Composition and Prioritization

We screen our portfolio for environmental and social (E&S) risks using an internal risk assessment framework based on the IFC Performance Standards and other applicable standards. Sectors with elevated environmental or social sensitivities such as oil and gas, power and energy, manufacturing, transportation, and agriculture are subject to enhanced due diligence. Our credit risk approach incorporates ESG factors including climate-related risks to identify areas of the portfolio with the highest potential for both positive and negative impact.

Context and Performance Measurement

Our impact analysis is grounded in the Nigerian context, with a focus on sectors that are economically vital but carry significant sustainability risks. We continuously assess climate-related exposures within our lending and investment portfolio using these insights to develop mitigation strategies including risk transfer mechanisms, business continuity planning, and portfolio-level monitoring. These efforts inform our impact priorities and support effective target-setting aligned with international best practices and regulatory expectations.

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in **Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector (2024).**

Links & references
Fidelity Bank 2024 Sustainability and Climate Report

Response

Through comprehensive assessments, we have identified both positive and negative impacts of our activities, establishing SMART targets and robust methodologies for measuring progress.

Carbon footprint:

- Target: Strive for a 33.6% carbon emissions reduction in operations by 2028 against the 2023 baseline and aim for net-zero emissions by 2050 across own operations and portfolio. Carbon credits will be used to support long-term emission reduction.
- Progress: In 2024, operational emissions stood at 22,081.44t CO_2e, compared to 24,920.50t CO_2e in 2023

Climate Risk Exposure:

- Target: Decrease climate risk exposure in the loan and investment portfolio by 3.5% by 2030 and achieve net-zero financed emissions by 2050

- Progress: In 2023, for our two green product papers, Fidelity Easy Asset Lease Scheme (Solar Power) and Green Energy Financing, we recorded 112 transactions, amounting to ₦512, 918,100. In 2024, while the count increased significantly to 482 transactions, the volume stood at ₦509,006,379.

We are also currently developing additional green products, including the Fidelity Green App, a digital aggregator platform that will connect providers and consumers of green products and services.

Energy Efficiency:

Target: Strive to implement energy efficient initiatives in our operations and reduce energy consumption by 40% by 2028

Progress: Our diesel consumption dropped from 4,617,144.93 liters in 2023 to 3,605,228 liters in 2024. Fuel consumption for company-owned vehicles declined from 1,376,125.80 liters in 2023 to 1,071,295.86 liters in 2024. As a result, Scope 1 emissions decreased from 15,749tCO2e in 2023 to 12,289.60tCO2e in 2024. Electricity consumption from the national grid reduced from 5,743,333.40 kWh in 2023 to 5,486,200kWh in 2024, resulting in a reduction in Scope 2 emissions from 3,228tCO2e.

Community Impact:

- Target: Seek to increase our community outreach programs by 30% over the next three (3) years
- Progress: In 2024, donations and gifts to charitable organizations amounted to ₦1.55 billion, compared to ₦819.82million in 2023.

Occupational Health and Safety:

- Target: Achieve a 20% reduction in Lost Time Injury Frequency Rate (LTIFR) compared to the previous year

- Progress: Lost Time Injury Frequency Rate (LTIFR) was reduced by an estimated 25% from the previous year

- Target: Achieve 98% compliance with all OHS regulations by the end of the reporting period.

- Progress: 98% compliance was achieved by the end of 2024, supported by increased awareness and internal publications promoting adherence to OHS requirements.

- Target: Ensure 100% of employees receive OHS training and awareness sessions annually.

- Progress: In 2023, 98% of employees completed OHS training. In 2024, 100% of internal, OHS, security, and safety staff completed training, with additional participation from other employees to strengthen compliance and awareness.

Anti-corruption:

- Targets:
  - Conduct quarterly awareness trainings for employees at all levels on anti-corruption issues
  - Deploy an annual anti-corruption learning module requiring employees to read and acknowledge the Bank's anti-corruption policies.
  - Improve whistleblower protections to encourage safe reporting and significantly increase the number of reported corruption cases through official channels.
  - Achieve a 5% annual reduction in identified incidents of corruption
- Progress: During the reporting period, Fidelity Bank continued to demonstrate a strong commitment to anti-corruption through regular risk assessments, targeted training, and strict internal controls. Employees and board members received ongoing education on anti-corruption policies, supported by quarterly awareness sessions and an annual learning module. There were no confirmed incidents of corruption during the reporting period.

Principle 3:

Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Client and Customer engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Links & references
Fidelity Bank 2024 Sustainability and Climate Report

Response

Fidelity Bank actively engages clients and customers to promote sustainable practices and support the transition to a more inclusive and low-carbon economy. Our engagement strategy combines product innovation, awareness-raising, policy enforcement, and continuous client support.

We communicate regularly through calls, emails, various media platforms, and other channels to promote sustainability awareness, encourage responsible business conduct, and share relevant information including updates on regulatory expectations and environmental social and governance best practices. As part of our lending process, environmental and social (E&S) conditions are included in offer letters for borrowing customers. Depending on the E&S risk categorization of their business, clients are required to submit quarterly compliance reports. We also conduct site visits to ensure compliance and offer guidance where needed.

To enable sustainable economic activities, we offer tailored green finance solutions. In 2024, we recorded 482 transactions under our green products Fidelity Easy Asset Lease Scheme (Solar Power) and Green Energy Financing, amounting to ₦509,006,379. We are also developing new sustainable offerings, including the Fidelity Green App, a digital aggregator platform that will connect providers and consumers of green products and services. Additional green products are being considered to further support clients in adopting sustainable business models.

These efforts not only strengthen relationships but also advance our commitment to responsible banking and contribute to broader environmental and social outcomes.

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

- Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

Links & references
Fidelity Bank 2024 Sustainability and Climate Report

Response

Fidelity Bank is unlocking strategic business opportunities by expanding sustainable finance offerings and aligning with the dual goal of increasing positive and reducing negative impacts across our portfolio. In 2024, we advanced inclusive finance by broadening access and deepening engagement with underserved groups, including women, youth, MSMEs, and rural communities. Over 7,000 student accounts were opened through campus activations, while rural women received financial education and were onboarded as POS agents. Our Agency Banking network grew to over 35,000 agents with more than 7,000 POS terminals, enhancing access to finance nationwide. More than 6,000 women received digital skills training, strengthening female-led enterprises.

To support a just and low carbon transition, we scaled our green finance portfolio. In 2024, we recorded 482 transactions under our green products Fidelity Easy Asset Lease Scheme (Solar Power) and Green Energy Financing amounting to ₦509.01 million. We also provide financing to businesses implementing green initiatives across sectors and are developing the Fidelity Green App, a digital aggregator platform that connects green product providers and consumers with embedded financing support. Additional sustainable finance solutions are under development to meet growing demand.

Our sustainable finance initiatives contribute to several SDGs. These include SDG 3 (Good Health and Wellbeing), SDG 6 (Clean Water and Sanitation), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry Innovation and Infrastructure), SDG 10 (Reduced Inequalities), and SDG 17 (Partnerships for the Goals). Key examples include the donation of a solar powered water facility providing clean water for 8,000 people, the launch of Fidelity Send to lower remittance costs and improve financial access, and the establishment of a new SME Hub fostering innovation and collaboration.

Fidelity Bank also plays a national leadership role in promoting financial literacy. As Chair and Secretariat
of the Financial Literacy and Public Enlightenment Subcommittee of the Bankers' Committee, we are helping shape Nigeria's financial inclusion strategy through awareness campaigns, educational initiatives, and stakeholder engagement.

Our sustainability linked activities are guided by internal frameworks and aligned with global standards and taxonomies. Fidelity Bank's definition of green finance is multifaceted and informed by the following criteria, including alignment with the use of proceeds defined in investor offer letters, adherence to international standards such as the ICMA Green Bond Principles, and green taxonomies of development banks. These efforts support long term value creation, inclusive economic development, and climate resilience across our client base and communities.

Principle 4:

Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Links & references
Fidelity Bank 2024 Sustainability and Climate Report

Response

Fidelity Bank remains committed to effective stakeholder engagement as a core component of our sustainability strategy and the implementation of the principles. We identify and prioritize stakeholders based on their relevance to our operations, their potential to be impacted by our activities, and their interest in sustainability-related issues. Engagement is guided by principles of inclusiveness, transparency, and accountability. Insights gathered from these interactions inform our materiality assessments, shape policy decisions, and support the continuous improvement of our sustainability action plans.

Key stakeholder groups and engagement methods include:

- Customers: Engaged through feedback forms, social media, focus groups, customer service interactions, relationship managers, and complaints management channels to understand service needs and expectations.
- Employees: Engaged via the intranet, staff meetings, newsletters, training programs, surveys, performance reviews, employee resource groups, and whistleblowing mechanisms to promote alignment with the Bank's goals and foster a responsible workplace.
- Investors and Shareholders: Consulted through Annual General Meetings, investor presentations, sustainability reporting, investor relations platforms, and regular analyst calls to communicate performance and strategy.
- Regulators: Engaged through regulatory filings, consultations, formal meetings, and participation in industry working groups to ensure compliance and contribute to sector policy development.
- Suppliers: Assessed and engaged through audits, contractual agreements, workshops, and review meetings to ensure responsible sourcing and alignment with our ethical standards.
- Communities: Interacted with through town halls, partnerships with local organizations, social investment programs, and grievance mechanisms to support local development and address community needs.
- NGOs and Civil Society: Collaborated with on specific environmental and social projects and through participation in multi-stakeholder initiatives that promote sustainable development.
- Media: Engaged via press releases, media briefings, interviews, and social media to maintain transparency and communicate key updates.
- Government: Interfaced with relevant ministries, departments, and agencies through meetings, conferences, and joint initiatives, especially on regulatory and policy-related matters.
- Industry Peers: Participated in industry associations, benchmarking exercises, and collaborative platforms to exchange knowledge and drive collective progress on sustainability.

These stakeholder engagements have been instrumental in shaping our sustainability direction, improving transparency, and strengthening our social license to operate.

Principle 5

Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Governance Structure for Implementation of the Principles

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

Links & references
Fidelity Bank 2024 Sustainability and Climate Report

Response

At Fidelity Bank, the effective implementation of the Principles for Responsible Banking is underpinned by a strong governance framework that ensures sustainability and climate-related impacts, risks, and opportunities are systematically identified, assessed, and managed across all levels of the organization.

At the highest level, the Board of Directors through the Board Risk Management Committee (BRMC) provides strategic oversight of sustainability and climate-related risks and opportunities. The BRMC ensures that these issues are integrated into the Bank's broader enterprise risk management framework and aligned with the overall business strategy. To build institutional capacity, the Board also participates in regular training sessions designed to strengthen their understanding and ability to govern material sustainability and climate related-risks and opportunities effectively.

At the management level, the Sustainable Banking Governance Committee (SBGC) plays a pivotal role in driving the implementation of our sustainability strategy and climate action plans. The committee is chaired by the Managing Director and Chief Executive Officer and comprises a cross-functional team of 22 senior executives, divisional heads, and team leads. Its membership is carefully structured to ensure a well-rounded approach to sustainability and climate-related matters. The committee convenes at least six times annually and operates under a clearly defined Terms of Reference, which outlines its roles and responsibilities in advancing the Bank's sustainability agenda.

To ensure continued effectiveness, the SBGC Terms of Reference undergoes periodic review every two years or when the need arises, and committee members' expertise is continuously mapped to align with the Bank's evolving material risks and opportunities. The Head of Sustainable Banking serves as the committee's secretary providing technical guidance on environmental and social impact management, climate-related risks, and broader ESG issues.

The Bank is guided by several internal policies and procedures that support the effective management of sustainability and climate-related risks and opportunities. These include our Environmental and Social Risk Management Policy, our Sustainability Strategy and Implementation Framework, and other related documents. These policies ensure that sustainability considerations are embedded into decision-making processes, from credit assessments to product development and stakeholder engagement.

Fidelity Bank also maintains a strong ethical culture supported by a Code of Business Conduct and Ethics, which sets out our zero-tolerance stance on corruption, bribery, money laundering, abuse of office, and related misconduct. All employees, board members, and third-party partners are subject to our Anti-Bribery and Corruption measures and are trained regularly to uphold our standards.

A structured whistleblowing mechanism further ensures that unethical behaviour can be reported confidentially and without fear of retaliation. To enforce compliance, the Bank uses tools such as integrity testing, mystery shopping, and mandatory annual staff attestations to key policies. Together, these structures and practices ensure Fidelity Bank is well-positioned to implement the principles responsibly, manage its most significant impacts, and drive long-term value creation for stakeholders.

Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Links & references
Fidelity Bank 2024 Sustainability and Climate Report

Response

Fidelity Bank is committed to embedding a culture of responsible banking across all levels of the organization. This begins with training at the induction stage for both foundation and experienced hires, where new employees are introduced to the Bank's values, ethics, and sustainability expectations. Our Crest Academy leads employee learning and development, delivering structured training plans that include sustainability and climate-related content.

Training needs are identified through performance appraisals and collaboration with line managers, while employees are also encouraged to request training based on personal development goals. Sustainability and climate-related training is integrated into the broader curriculum, with the Crest Academy working closely with the Sustainable Banking team to ensure alignment with the Bank's strategic commitments.

We deliver training through a mix of channels, including our Electronic Learning Management System (ELMS), virtual sessions via Microsoft Teams, and instructor-led sessions. Knowledge retention is supported through self-paced modules, quizzes, and facilitated discussions, where applicable.

In addition to formal training, the Sustainable Banking team sends out periodic communication on sustainability and climate-related issues to raise awareness across the Bank, working in collaboration with the Brand and Communications Division.

Board members and senior management also receive dedicated training on sustainability and climate-related issues, including relevant reporting standards such as IFRS S1 and S2. Sustainability performance is embedded into our appraisal process and is reflected in sustainability staff and executive incentive structures, with ongoing efforts to further strengthen the link between remuneration and ESG outcomes.

Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Links & references
Fidelity Bank 2024 Sustainability and Climate Report

Response

Fidelity Bank is guided by international and national sustainability standards and frameworks as well as the Central Bank of Nigeria's (CBN) Nigerian Sustainable Banking Principles (NSBP).

Our Environmental and Social Risk Management (ESRM) framework identifies, assesses, and manages environmental and social risks across our lending portfolio, ensuring projects adhere to sustainable practices while addressing climate-related risks and opportunities.

Our ESRM Policy provides a structured approach aligned with our broader sustainability strategy. It guides the entire value chain in identifying, managing, and monitoring environmental and social risks.

The due diligence process begins at loan origination, where Relationship Managers conduct an initial environmental and social assessment using a detailed checklist. This preliminary screening determines an initial impact categorization that directs the level of further due diligence.

Transactions are categorized into three impact levels:

- Category A (High Impact): Projects with significant and often complex environmental or social impacts that may extend beyond the immediate site. These require detailed due diligence including Environmental Impact Assessments (EIA), environmental audits, site visits, and involvement of external environmental consultants.

- Category B (Medium Impact): Projects with potential adverse impacts that are generally site-specific and manageable with mitigation measures. These may require focused due diligence, including desk reviews, site visits, and possibly EIAs or audits.

- Category C (Low Impact): Transactions with minimal or no adverse environmental impact, typically requiring only checklist reviews

Our ESRM process is guided by the International Finance Corporation (IFC) Performance Standards, and other international sustainability standards and frameworks. These cover key areas such as Environmental and Social Management System (ESMS) requirements, labor and working conditions, resource efficiency and pollution prevention, community health and safety, land acquisition and resettlement, biodiversity conservation, indigenous peoples, and cultural heritage. These standards shape our risk identification and mitigation efforts. For projects exceeding $10 million or those triggering significant risk factors, Fidelity Bank applies the Equator Principles.
To ensure ongoing compliance, customers subject to environmental and social risk management provide quarterly reports on environmental and social compliance using standardized templates, depending on risk levels.

Where applicable, customers must submit relevant documentation, including ESMS policies, Health Safety and Environment (HSE) procedures, grievance mechanisms, emergency response plans, human rights policies, and evidence of compliance with safety standards such as personal protective equipment (PPE) usage.

The bank's governance framework includes oversight by the Sustainable Banking team, which manages the due diligence process and collaborates closely with Relationship Managers to ensure thorough risk assessments and compliance monitoring.

In 2022, Fidelity Bank enhanced its lending operations by partnering with Axe Finance to implement the Axe Credit Portal (ACP). This digital platform automates and streamlines the loan origination, approval, and credit lifecycle processes, improving operational efficiency and integrating environmental and social risk assessments from the outset.

Through these comprehensive policies, procedures, and governance structures, Fidelity Bank systematically identifies and manages environmental and social risks across its portfolio, ensuring responsible banking and sustainable business growth.

Principle 6:
Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report

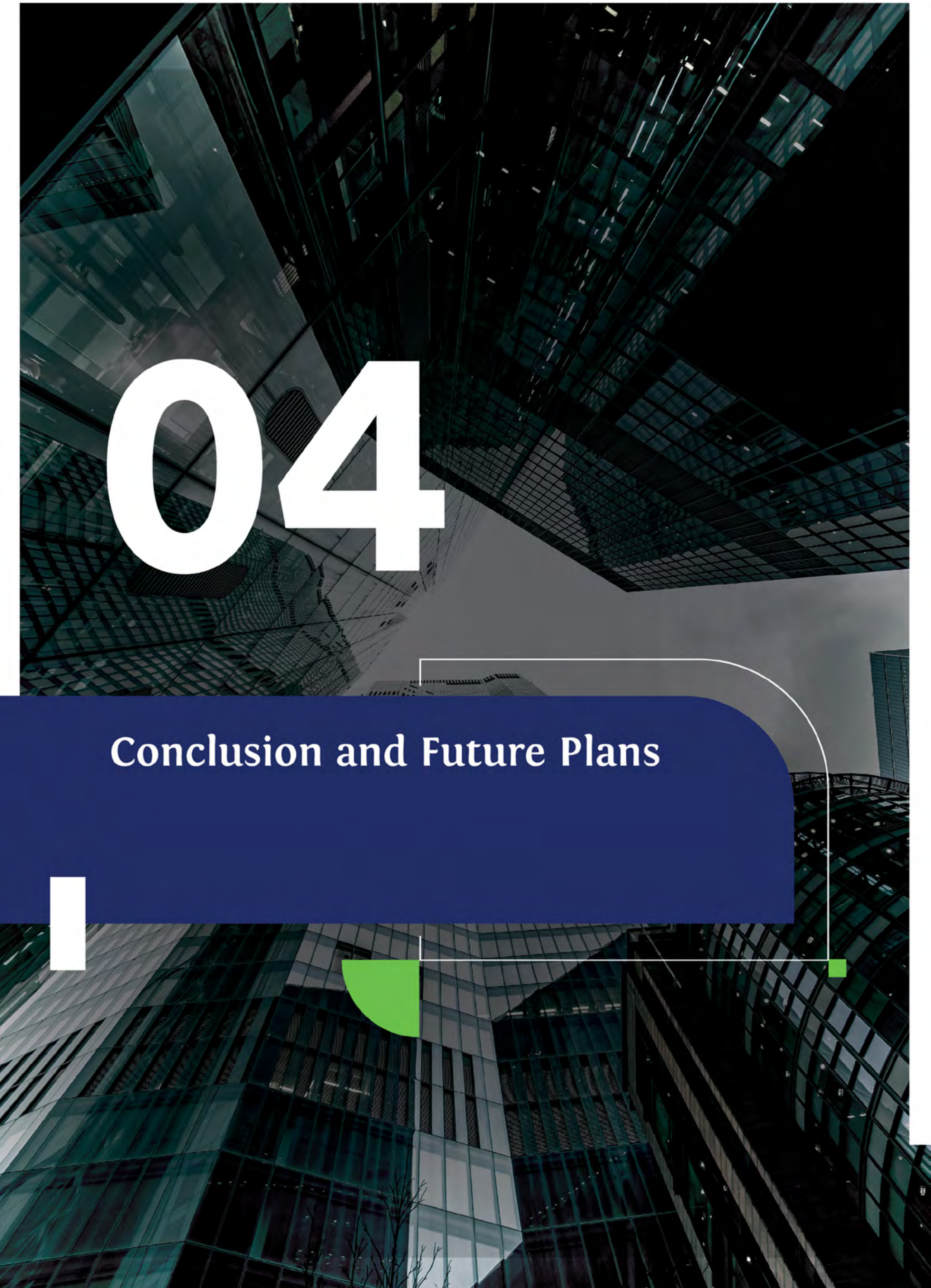
Response

Fidelity Bank is committed to transparency and accountability in implementing the principles, regularly reviewing our progress both as an organization and across specific areas of focus. While no third-party assurance has been conducted to date, we are committed to maintaining rigorous internal processes to ensure the accuracy, reliability, and completeness of our sustainability disclosures.

Sustainability and climate-related objectives are integrated within our strategic planning and decision-making processes. This integration supports our long-term value creation and strengthens our resilience amid evolving regulatory and environmental challenges.

We have proactively identified material impacts, risks, and opportunities across short-, medium-, and long-term horizons. As a forward-looking institution, we are dedicated to advancing a just transition, promoting inclusive economic growth, and contributing to climate resilience and sustainable development.

Data integrity is a priority for us, with clear responsibilities assigned to relevant units and oversight by the Sustainable Banking Governance Committee (SBGC). The SBGC regularly reviews the Bank's environmental and climate risk performance, approving methodologies for measuring and assessing our progress. We continue to enhance our internal validation processes and remain open to adopting independent assessments as appropriate in the future.



04

Conclusion and Future Plans

Reflection and Planning Ahead

As we reflect on our sustainability journey, we acknowledge the significant progress made in embedding sustainability and climate related priorities into our operations and core strategy. Our sustainability and climate related objectives are now embedded in strategic planning and decision making at all levels of the organization.

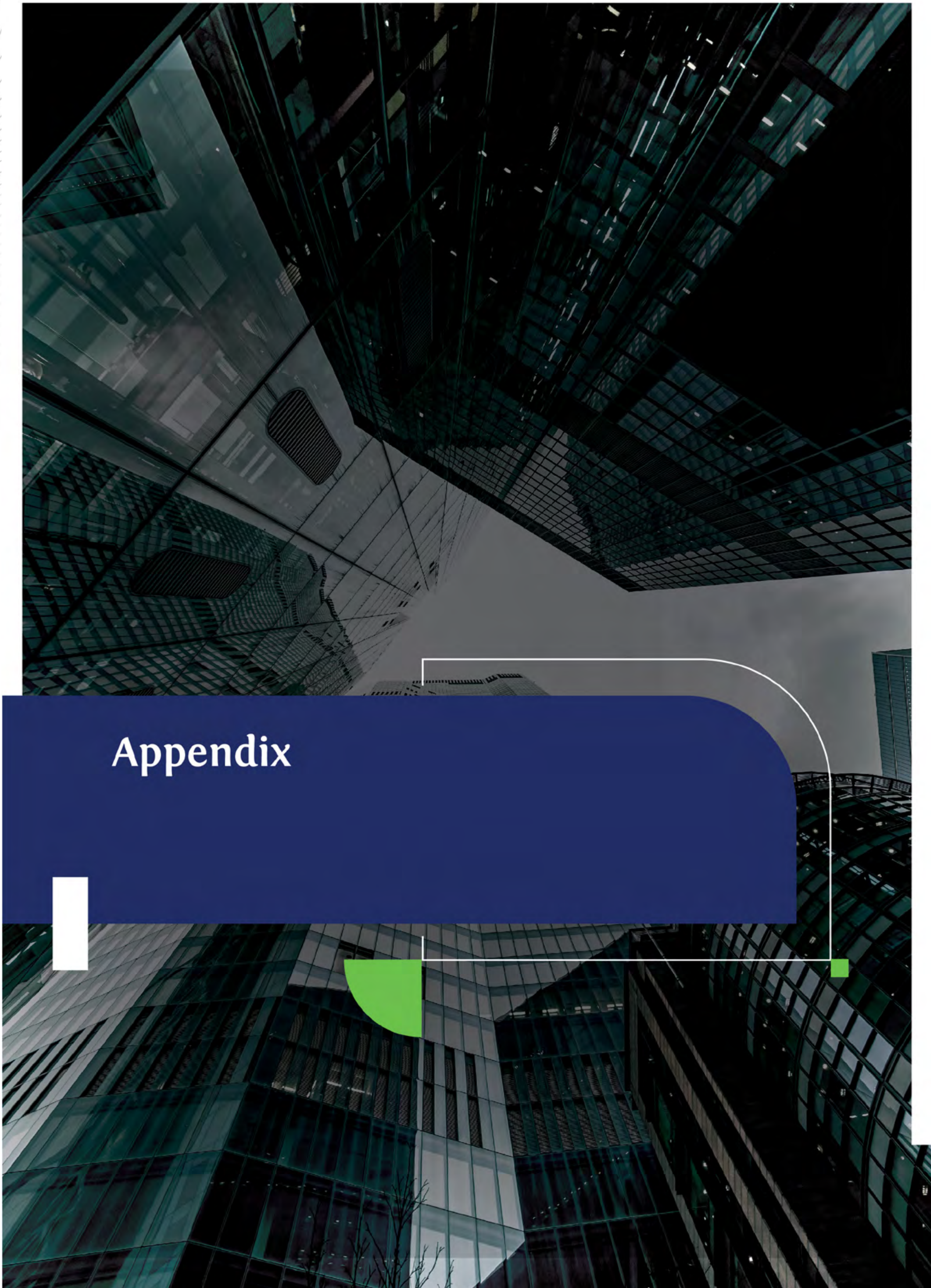
This integration is foundational to our long-term value creation and essential for maintaining resilience in a dynamic regulatory and environmental landscape have taken deliberate steps to identify material impacts, risks and opportunities across short-, medium- and long-term horizons.

These efforts are supported by strengthened data collection, enhanced disclosure processes and transparent reporting, demonstrating our commitment to accountability and stakeholder engagement. Us we build on these achievements; we remain focused on evolving our sustainability practices to meet growing stakeholder expectations and regulatory requirements. We are positioning ourselves as a future fit institution dedicated to driving a just transition, fostering inclusive economic growth and contributing meaningfully to climate resilience and sustainable development.

Our ongoing efforts include advancing risk management through AI driven tools, expanding renewable energy use across our operations and deepening our outreach to priority market segments to enhance financial inclusion. We are also strengthening engagement with our customers, empowering them to integrate climate action within their own businesses. By working closely together, we aim to amplify the impact of sustainable practices throughout our shared value chained also plan on issuing a green bond and hosting a sustainability and climate-focused forum.

Looking forward, we are committed to continuous improvement, innovation, and transparency. We will intensify capacity building throughout the organization to ensure sustainability principles are firmly integrated at every level and to maintain robust sustainability and climate related reporting. We are confident in our ability to create long term value for stakeholders while contributing to a more inclusive, low carbon, and sustainable future.

Appendix



Sustainability Reporting Standard Interoperability Index

Abbreviation	Full Meaning
ABC	Anti-Bribery and Corruption
AC	Air Conditioning
ACP	Axe Credit Portal
AfDB	African Development Bank
AGM	Assistant General Manager
AI	Artificial Intelligence
AIRS	Anambra State Internal Revenue Service
AML	Anti-Money Laundering
AR6	Sixth Assessment Report
ARWG	Adoption Readiness Working Group
ATM	Automated Teller Machines
BAFI	Banks and Other Financial Institutions
BP	Basis of Preparation
BRMC	Board Risk Management Committee
CAPEX	Capital Expenditure
CBN	Central Bank of Nigeria
CCTV	Closed-Circuit Televisions
CEO	Chief Executive Officer
CFT	Counter Financing of Terrorism
CG	Corporate Governance
CGRS	Corporate Governance Rating System
CH4	Methane
CMIP6	Coupled Model Intercomparison Project Phase 6
CMS	Church Missionary Society

CO_2	Carbon dioxide
COP	Conference of the Parties
COVID	Corona Virus Disease
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CTF	Counter-Terrorism Financing
DBMS	Database Management System
DBN	Development Bank of Nigeria
DEFRA	Department for Environment, Food & Rural Affairs
DELSU	Delta State University
DFI	Development Finance Institutions
DG	Diesel Generator
DMA	Double Materiality Assessment
EAR	Environmental Audit Report
EEA	European Economic Area
EF	Emission Factor
EIA	Environmental Impact Assessments
ELMS	Electronic Learning Management System
EMR	Environmental Management Reviews
EP	Equator Principles
EPR	Extended Producer Responsibility
ERM	Enterprise Risk Management
ESG	Environmental, Social, and Governance
ESIA	Environmental and Social Impact Assessments
ESRA	Environmental and Social Risk Assessment
ESRM	Environment and Social Risk Management

ESRS	European Sustainability Reporting Standards
E & S	Environmental and Social
ETR	Effective Tax Rate
EU	European Union
EV	Electric Vehicles
EXCO	Executive Committee
EY	Ernst & Young
FCT	Federal Capital Territory
FEALS	Fidelity Easy Asset Lease Scheme
FHHP	Fidelity Helping Hands Programme
FPIC	Free, Prior, and Informed Consent
FRC	Financial Reporting Council of Nigeria
FY	Financial Year
GHG	Greenhouse Gas
GM	General Manager
GOV	Governance
GPS	Global Positioning System
GRI	Global Reporting Initiative
GWP	Global Warming Potentials
HR	Human Resource
HSB	Head of Sustainable Banking
HSE	Health, Safety, and Environmental
HVAC	Heating, Ventilation, and Air Conditioning
ICMA	International Capital Market Association
IDP	Internally Displaced Persons
IFC	International Finance Corporation

IFRS	International Financial Reporting Standard
ILO	International Labor Organisation
IPCC	Intergovernmental Panel on Climate Change
IPMC	Independent Project Monitoring Company
IRO	Impact, Risk & Opportunity
ISA	Investments and Securities Act
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
IT	Information Technology
Kg	kilogram
KPI	Key Performance Indicators
KWh	kilowatt-hour
LASG	Lagos State Government
LASPARK	Lagos State Parks and Gardens Agency
LCDA	Local Council Development Area
LED	light-emitting diode
LGA	Local Government Area
LMA	Loan Market Association
LTIFR	Lost Time Injury Frequency Rate
Ltd	Limited
MCDA	Multi-Criteria Decision Analysis
MD	Managing Director
MDR	Metrics & Targets
MS	Microsoft
MSME	Micro, Small, and Medium-sized Enterprises
MT	Metric Ton

N_2O	Nitrous oxide
NCF	Nigerian Conservation Foundation
NDPA	Nigeria Data Protection Act
NDPR	Nigeria Data Protection Regulation
NESREA	National Environmental Standards and Regulations Enforcement Agency
NFIS	National Financial Inclusion Strategy
NGFS	Network for Greening the Financial System
NGO	Non-Governmental Organization
NGX	Nigerian Exchange
NIYEEDEP	Nigerian Youth Economic Engagement and De-Radicalization Programme.
NPS	Net Promoter Score
NSBP	Nigerian Sustainable Banking Principles
OHS	Occupational Health and Safety
OHSAS	Occupational Health and Safety Assessment Series
OPEX	Operating Expenses
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of Default
PEP	Politically Exposed Persons
POS	Points of Sale
PPPG	Personnel Policies and Procedures Guide
PRB	Principles for Responsible Banking
RCO	Resident Control Officers
RCP	Representative Concentration Pathways
SBGC	Sustainable Banking Governance Committee

SBM	Strategy
SBMS	Sustainable Banking Management System
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goals
SLA	Service Level Agreement
SMART	Specific, Measurable, Achievable, Relevant, and Time-bound
SMEs	Small and Medium-sized Enterprises
SMS	Short Message Service
SOPs	Standard Operating Procedures
SSP	Shared Socioeconomic Pathways
STEM	Science, Technology, Engineering and Mathematics
TCFD	Task Force on Climate-related Financial Disclosures
TJ	Terajoule
TV	Television
TVC	Television Commercials
UK	United Kingdom
UN	United Nations
UNEP FI	United Nations Environment Programme Finance Initiative
UNFCCC	United Nations Framework Convention on Climate Change
UNGC	United Nations Global Compact
US	United States
WEP	Women's Empowerment Principles
WRI	World Resources Institute
YEIDEP	Youth Economic Intervention and De-Radicalisation Programme

List of Tables

List of Figures

Sustainability Reporting Standards Interoperability Index

Focus	ISSB Reference	ESRS Reference	GRI Reference	Page in Report
Governance				
Governance structure and composition	IFRS S1.27(a) IFRS S2.6(a)	ESRS 2.22(a)	GRI 2-9(b)	44, 97
Relevant policies overseen and applicable to governance body	IFRS S2.6(a)(i)	ESRS 2.22(b)	2-12(a)	97
Skills and expertise mapping of the governance body	IFRS S2.6(a)(ii)	ESRS 2.23		44
Management's role in climate-related governance oversight	IFRS S2.6(a)(iii)	ESRS 2.26(a)	GRI 2-14(b)	44 - 45
How climate-related responsibilities are assigned to management	IFRS S2.6(a)(iv)	ESRS 2.26(b)	GRI 2-12(b)	44
Integration of climate responsibilities into performance and remuneration	IFRS S2.6(a)(v) IFRS S1.21(b)	ESRS 2.22(d) ESRS 2.29(b)–(c) ESRS E1.13 ESRS 1.124	GRI 2-17(a) GRI 2-19(a)	45
Process by which governance body is informed about climate issues	IFRS S2.6(b)	ESRS 2.22(c)	GRI 2-14(a)	41
How the governance body is informed about sustainability/ climate matters	IFRS S2.6(b)(i)	ESRS 2.22(c)(i)	GRI 2-13(a)	41
How the governance body oversees progress against climate targets/plans	IFRS S2.6(b)(ii)	ESRS 2.22(c)(iii)	GRI 2-13(b)	98, 99
Strategy, Climate-related risks and opportunities				
Climate-related risks and opportunities	IFRS S2.10(a)	ESRS 2.48(a)	GRI 3-2 GRI 201-2(a)	109
Description of climate-related risks and opportunities	IFRS S2.10(b)	ESRS E1.18	GRI 201-2(a)(i)	117
Identified climate-related risks and opportunities over time horizons	IFRS S2.10(c)	ESRS 2.48(e)		117-119
Description of organisation's exposure to climate-related risks and opportunities (financial and non-financial impacts)	IFRS S2.10(d)	ESRS 1.77(a)–(c) ESRS 1.78 ESRS 1.80 ESRS E1.AR11(b) ESRS 2.9(a)–(b)		121-126

Climate-related targets, goals, and performance metrics	IFRS S2.12*	ESRS 1.10 ESRS 1.11 ESRS 1.30(a) ESRS 1.130 ESRS 1.131(b)	GRI 2-28	130-133
Strategy and Decision-Making				
Description of the process for making strategic decisions related to climate risks and opportunities	IFRS S2.14(a)(i)	ESRS 2.47 ESRS 2.48(b) ESRS E1.AR8(b)		32,42,99
Information on climate-related performance against targets, including assumptions and methodologies	IFRS S2.14(a)(ii)	ESRS 2.68(b) ESRS E1.26 ESRS E1.28 ESRS E1.AR31	GRI 201-2	130-133
Climate transition plans	IFRS S2.14(a)(iv)	ESRS E1.14 ESRS E1.16(a)–(i) ESRS E1.AR2–AR5 ESRS 2.69(a)–(b)		51-54
Methods for progress and outcomes measuring against climate-related targets	IFRS S2.14(a)(v)	ESRS 2.68(a)–(e) ESRS 2.69(a)–(c) ESRS E1.26–27	GRI 3-3	125-126
Quantitative and Qualitative information about the progress of plans disclosed in previous reporting periods	IFRS S2.14(c)	ESRS E1.16(j) ESRS 2.68(e)		130
Financial position, financial performance and cash flows				
Effect of climate-related risks/ opportunities on financial performance	IFRS S2.15(a)	ESRS 2.48(d)	GRI 2-27	103-104, 121
The effects of climate-related risks and opportunities on financial performance	IFRS S2.16(a)	ESRS 2.48(d) ESRS Annex II, Table 2 (Terms defined in the ESRS): current financial effects	GRI 2-27	103-104, 121
Anticipated future financial effects of climate-related risks and opportunities	IFRS S2.15(b)	ESRS 2.48(e)		121
Future capital expenditure plans	IFRS S2.16(c)(i)–(ii)	ESRS 2.48(e)		99
Climate Resilience				
Description of approach to climate resilience and related assumptions	IFRS S2.22(a)	ESRS E1.19		47, 51
Response to climate-related effects	IFRS S2.22(a)(i)	ESRS E1.19(c) ESRS E1.AR8		119
Areas of uncertainty in climate resilience	IFRS S2.22(a)(ii)	ESRS E1.19(c) ESRS E1.AR8(a)		118-119

Description of how resilience analysis informs strategy and risk management	IFRS S2.22(b)(i)*	ESRS E1.19(a)–(c) ESRS E1.AR13(d)		119
Climate-related scenario analysis	IFRS S2.22(b)(i)(1)	ESRS E1.AR13(a)		120-121
Diverse range of climate-related scenarios	IFRS S2.22(b)(i)(2)*	ESRS E1.21 ESRS E1.AR11(d) ESRS E1.AR12(c)		120-121
Climate resilience analysis and how it affects financial position, performance.	IFRS S2.22(b)(i)(3)*	ESRS E1.21 ESRS E1.AR11(d) ESRS E1.AR12(c)		121
Alignment on international agreement on climate change	IFRS S2.22(b)(i)(4)*	ESRS E1.20(c)(i) ESRS E1.AR12(c)		120
Climate resilience analysis and influence on investment	IFRS S2.22(b)(i)(5)	ESRS E1.AR13(b)		120
Climate resilience analysis and timing for decision making	IFRS S2.22(b)(i)(6)	ESRS E1.AR13(b) ESRS E1.AR7(b)		119
Scope of operations covered in scenario analysis	IFRS S2.22(b)(i)(7)	ESRS E1.19(a) ESRS E1.AR13(d) ESRS E1.AR6		125
Assumptions used in climate-related scenario analysis, including policies, macroeconomic trends, geographic and infrastructure variables, energy mix, and technological developments	IFRS S2.22(b)(ii)*	ESRS E1.AR13(c)–(d)		113,125
Climate-related scenario analysis process	IFRS S2.22(b)(iii)	ESRS E1.19(b)		112, 118
Explanation of scope 1, 2, and 3 emissions disclosures and other industry-based metrics	IFRS S2.23*	ESRS 1.131(b) ESRS 1.130 ESRS 1.11 ESRS 1.30(a)	GRI 305-1e	126 - 129
Risk Management				
Processes and policies to identify and assess climate-related risks	IFRS S2.25(a)	ESRS E1.20 ESRS E1.22 ESRS E1.23 ESRS E1.24	GRI 201-2-ai-ii GRI 3-1-ai	50–56, 117-126
Employing scenario analysis to identify climate-related risks	IFRS S2.25(a)(ii)*	ESRS E1.21		120
Assess the nature, likelihood, and magnitude of climate-related risks	IFRS S2.25(a)(iii)	ESRS 2.53(c)(ii)		34 - 35
Monitoring climate-related risks	IFRS S2.25(a)(v)	ESRS 2.53(e) ESRS 2.53(c) ESRS 2.65(a)	GRI 3-1-a-b GRI 3-3c	109-129

Processes to identify and assess climate-related risks and opportunities that may have financial effects	IFRS S2.25(b)*	ESRS 2.53(c) ESRS E1.20(c) ESRS E1.65(a) ESRS E1.19(b)-(c) ESRS E1.24	GRI 3-1-a-b GRI 302-1	109-112,117-126
Integration of processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities into overall risk management process	IFRS S2.25(c)	ESRS 2.53(e)-(f)	GRI 3-1	34-36, 109, 116, 129
Metrics				
Disclosure of scope 1 and 2 emissions	IFRS S2.29(a)(i)(1-2)**	ESRS E1.44(a)-(b)		54-55, 68 127, 131-132
Measurement and disclosure of scope 3 emissions	IFRS S2.29(a)(i)(3)** IFRS S2.B38-B57	ESRS E1.44(c) ESRS 1.62-67 ESRS 1.QC5 ESRS 1.696 ESRS E1.AR39(b) ESRS E1.AR46(g)	GRI 305-3-a GRI 305-3-d GRI 305-3-e	55, 127 - 129
Approach used to measure GHG emissions	IFRS S2.29(a)(iii)(1-3)	ESRS E1.AR39(b)8 ESRS 2.77(a) ESRS 2.80(i)	GRI 305-1-d GRI 305-2-d GRI 305-3-e	127-129
Location based scope 2 GHG emissions	IFRS S2.29(a)(v) IFRS S2.B30 IFRS S2.B31	ESRS E1.49 ESRS E1.49(a) ESRS E1.AR45(d)	GRI 305-2-a	55
Categories included in an entity's measure of scope 3 emissions	IFRS S2.29(a)(vi)(1) IFRS S2.B32	ESRS E1.51 ESRS E1.AR45(c) ESRS E1.AR46(c) ESRS E1.AR46(i)	GRI-305-3-d	128 -129
Additional information on an entity's sustainability matters or financed emissions	IFRS S2.29(a)(vi)(2)*	ESRS 1.131(b) ESRS E1.AR46(b)	GRI 305-3-b	129 - 130
Amount of assets vulnerable to climate-related transition risks	IFRS S2.29(b)**	ESRS E1.67(a) and (e)		110 - 111
Amount of assets vulnerable to climate-related physical risks	IFRS S2.29(c)**	ESRS E1.66(a) and (d)		110 - 111
Amount of assets aligned with climate-related opportunities	IFRS S2.29(d)*	ESRS E1.64(c)		
Amount of capital expenditure towards climate-related risks and opportunities	IFRS S2.29(e)*	ESRS E1.16(c) and (e)-(f) ESRS E1.AR4	GRI 305-1(f) GRI 305-2(f)	112
Targets				
Quantitative and Qualitative targets set towards achieving strategic goals	IFRS S2.33	ESRS 2.79 ESRS 2.80 ESRS E1.30 ESRS E1.34	GRI 3-3 (e-ii) GRI 3-3-(e-iii)	130-140
Metrics used to set targets	IFRS S2.33(a) IFRS S2.B6710	ESRS 2.79(a) ESRS 2.80(b)		130-140

Objective of targets set	IFRS S2.33(b)	ESRS 2.80(a) ESRS E1.33	GRI 3-3-(e-iii)	54,130-140
Location/part of the entity covered by targets	IFRS S2.33(c)	ESRS 2.80(c)	GRI 3-3-e-ii	6
The period the targets apply	IFRS S2.33(d)	ESRS 2.80(e) ESRS E1.34(d)		6
Base period from with progress is measured	IFRS S2.33(e)	ESRS 2.80(d) ESRS E1.34(c) ESRS E1.AR25		53
Milestones or Interim targets	IFRS S2.33(f)	ESRS 2.80(e)		20
Quantitative target type/level	IFRS S2.33(g)**	ESRS 2.80(b) ESRS E1.34(a) ESRS E1.AR23		54
Influence of international agreement on climate change, including jurisdictional commitments on targets	IFRS S2.33(h)	ESRS 2.80(f)11 ESRS E1.34(e)		51-54
Metrics used to monitor progress on targets	IFRS S2.34(c)	ESRS 2.80(j)		130-140
Performance against set targets	IFRS S2.35	ESRS 2.80(j)	GRI 3-3 (e-i)	130 - 140
Gases included in emissions calculation	IFRS S2.36(a)	ESRS E1.34(b)* ESRS E1.AR24	GRI 305-1(b)	127-129
Base year used to calculate scope 1,2 and 3 emissions	IFRS S2.36(b)	ESRS E1.34(b) ESRS E1.AR24	GRI 305-1(d) GRI 305-2(d) GRI 305-3(e)	53
Metrics used for material areas	IFRS S2.37*	ESRS 1.131(b)		130-140

Note: Cells coloured grey under the GRI column, indicate no corresponding disclosure requirement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Disclaimer

This Sustainability and Climate Report has been prepared using leading sustainability standards and frameworks, including the IFRS Sustainability Disclosure Standards (S1 and S2), the European Sustainability Reporting Standards (ESRS), and informed by the Global Reporting Initiative (GRI) Standards, where relevant.

The information contained in this report, including forward-looking statements, estimates, and targets, is based on data, assumptions, and methodologies available at the time of publication. These statements are subject to change in response to new information, evolving regulatory requirements, and changes in business strategy or operating conditions.

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This report is intended for general informational purposes.

Fidelity

Looking Beyond the Now

2024
Sustainability and Climate Report