

Fidelity

SUSTAINABLE BANKING POLICY MANUAL

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Version 5.0

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LIST OF ACRONYMS AND ABBREVIATIONS

BCC	Board Credit Committee
BOD	Board of Directors
CAM	Credit Analysis Memorandum
CBN	Central Bank of Nigeria
CCM	Credit Comment Memorandum
CEO	Chief Executive Officer
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
DFI	Development Finance Institutions
E& S	Environmental and Social
ED	Executive Director
EIA	Environmental Impact Assessment
EP	Equator Principles
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESRM	Environmental and Social Risk Management
GIIP	Good International Industry Practice
GRI	Global Reporting Initiative
HSE	Health, Safety and Environment
HSEMS	Health, Safety and Environmental Management System
IFC	International Finance Corporation
IFI	International Financial Institutions
KPI	Key Performance Indicators
MCC	Management Credit Committee
MD	Managing Director
NESREA	National Environmental Standards and Regulations Enforcement Agency
NSBP	Nigerian Sustainable Banking Principles
PCB	Polychlorinated Biphenyl
PLC	Public Limited Company
PS	Performance Standards
SB	Sustainable Banking
SBID	Sustainable Banking Implementing Department
UNEP-FI	United Nations Environment Program Finance Initiative
WHO	World Health Organization

1.0 INTRODUCTION

Fidelity Bank PLC's Sustainability Vision is to be the number one Sustainable Bank in every market we serve and for every branded product we offer. This aligns with our extant vision as we embrace the concept of sustainable development and seeks to promote "best in class" sustainability practices in the Financial Industry. We recognize that our business operations and activities can be carried out with increasingly less adverse environmental and social effects while enhancing benefits to our shareholders, clients, business partners and the public.

Fidelity Bank recognizes the need to mainstream Environmental and Social Risk Management (ESRM) procedures across the bank, while also expanding our support for economic growth through increased commitment to cross cutting socio- economic themes where we operate.

This Sustainable Banking (SB) Policy describes our commitments to implementing sustainability including ESRM and positive economic development initiatives within the bank. It covers Bank Operations (our internal work environment, systems and foot print), Bank Activities (interactions with clients and business partners) and other business dealings.

It also provides procedures and guidelines for implementing our SB Policy requirements across the bank on a daily basis. The Policy articulates:

- Our Sustainable Banking Philosophy;
- The SB Policy Guiding Principles and Standards;
- Applicability;
- Our SB commitments and specific procedures to implement, evaluate, monitor and report Sustainability and ESRM within the banks operations and activities;
- Roles and responsibilities of key bank personnel in implementing the policy

Through the implementation of this Policy, we expect to establish our bank as a Good Corporate Citizen while complying with applicable regulatory requirements on Environmental and Social safeguards (e.g., the Nigerian Sustainable Banking Principles (NSBP), 2012)

1.1 Our Sustainable Banking Philosophy

We recognize that while our role as a Financial Institution is critical to economic development, improved quality of life, industrialization and the overall quest by mankind to meet its teeming needs, we also realize that there are accompanying

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challenges, which could limit the ability of future generations to achieve yesterday's or today's quality of life.

Such accompanying challenges include among others, population growth, increased consumption of natural resources, environmental pollution, loss of biodiversity, climate change, conflicts, social injustices and inequalities.

While the bank's operations minimally lead to these environmental and social impacts, activities of some of our clients can cause palpable, short, medium or long-term negative impacts on the biophysical and/or social environment within their areas of influence and these may lead to:

- Direct risks through the liability for impacts caused by our clients;
- Reputation risks for us through association with such clients;
- Credit risks as a result of disruption to business operations, loss of license to operate, fines, penalties and legal enforcement or closure; and
- Market risks associated with reduced value of security and collateral

We are awakened to our responsibility to shareholders and the increasing and stricter environmental and social regulations, laws and safeguard requirements across the world as apply to various business sectors including the financial industry.

Additionally, as a Good Corporate Citizen, Fidelity Bank PLC exists as a business not only for profit but also one that has responsibilities to the society. We will therefore pursue sustainability in tandem with our economic goals.

1.2 Purpose

The primary objective of this Policy is to further our public good initiatives and incorporate Environmental and Social (E&S) risk management into the operations and decision-making at Fidelity Bank. The key objectives of this policy are therefore to:

- Communicate our processes and procedures on sustainable banking to our staff, customers, regulators and the general public;
- Communicate our commitment to increasingly promote public good initiatives in key sectors of development;
- Ensure that our operations do not knowingly adversely impact the people and environment within our areas of influence;
- Ensure that our finance does not knowingly support customers whose activities adversely impact the people and environment within their areas of influence;

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- Manage the bank's exposure to credit risk, reputational risk, and legal risk associated with environmental and social issues emanating from our operations and or activities of the customers we support;
- Establish and implement a framework that enables us to proactively mainstream environmental and social risk management within our organisation and for engaging our customers;
- Support the implementation of systems and structures within our organisation and require that our customers do the same to ensure environmental and social safe guard of our operations and their activities;
- Improve overall environmental and social performance across our operations and support our customers to achieve such improvements;
- Ensure that our sustainable banking process is transparent, accountable and a key element of our decision-making within the bank;
- Comply with all applicable laws, regulations and standards, on environmental and social issues directly and through the customers we support;
- Establish ourselves as a good corporate citizen; and
- Ultimately contribute to Human Development within our area of influence.

This Sustainable Banking Policy and the embedded ESRM procedures will be used in tandem with the following existing bank policies:

- Credit Risk Policy Manual
- Operational Risk Policy
- Asset & Liability Management Policy
- Market Risk Management Policy
- Business Continuity Management Framework
- Personnel Policies and Procedures Manual
- Human Rights Policy
- Occupational Health and Safety Policy
- Waste and Pollution Management Plan
- Financial Inclusion Policy

2.0 GUIDING LAWS, REGULATIONS AND STANDARDS

The bank's Sustainable Banking Policy, its requirements and implementation procedures are guided and driven by our public good initiative, internal risk strategy, and relevant local and international environmental and social safeguard laws, regulations and standards. Some of which are voluntary while others are statutory.

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2.1 Laws of Federal Republic of Nigeria

As a good corporate citizen, Fidelity Bank PLC will comply with the requirements and provisions of applicable Nigerian laws, regulations and standards on environmental and social issues. Key Nigerian laws include:

- Constitution of the Federal Republic of Nigeria (1999)
- Central Bank of Nigeria Act 24 of 1991 and guidelines issued pursuant to the law particularly the Nigerian Sustainable Banking Principles (2012)
- Environmental Impact Assessment Act (No.86) 1992 and other National Environmental Regulations
- National Environmental Standards and Regulations Enforcement Agency (NESREA) Act (2007) and Regulations
- Nigerian Labour Act (1990)
- Climate Change Act (2021)

We will also require that our clients' identify and comply with other laws, regulations and standards that apply to their business activities.

2.2 International Environmental and Social Safeguard Requirements

Fidelity Bank understands that the concept of the "global village" applies beyond technological and communications advancements, and includes social, economic and commercial interactions across continents and geographical regions. We have therefore embraced some of the best in class Environmental and Social Safeguard requirements used by International Financial Institutions (IFI).

We have signed up to, and will continue to meet the requirements of the voluntary Equator Principles Financial Institutions (2013). In doing so, we will apply the requirements of the International Finance Corporation (IFC) Performance Standards, Global Reporting Initiative (GRI) and other framework that may help us achieve our goals (e.g., UN Environment Program Finance Initiative "UNEP-FI") (2008) to which Fidelity Bank is a signatory). All such requirements will be used with due consideration of the local and cultural sensitivities.

Although compliance with environmental and social laws, regulations and standards is primarily the responsibility of our clients, we will assess our clients, and require that transactions and companies we finance meet applicable local and international E&S requirements.

3.0 SCOPE AND APPLICABILITY OF THE POLICY

This Sustainable Banking Policy applies to both our business operations and business activities as earlier defined.

3.1 Bank Operations

Our bank operations are carried out at our head office and across several branches in Nigeria. We understand that our operations can impact the environment in the following areas:

- **Energy use** -Our operations rely primarily on power from diesel generators, which leads to green-house gas emissions.
- **Water use**– Each facility is equipped with a borehole, which abstracts water from aquifers shared by others.
- **Consumables**- Our activities require the use of significant amounts of paper for internal communications, letters to customers and regulators, cheques and other document requirements.
- **Solid wastes, emissions and effluents** - These include typical office wastes, construction wastes, electronic wastes, emissions from our generators and waste water from our offices and guest houses.
- **Pollution** – Storage and handling of diesel for our operations could lead to environmental pollution including long term effects on ground water.
- **Increased security threats** - In certain areas of the country, there is heightened security threat around our branches as a result of cash operations.

When considered across our country-wide operations and supply chain, we believe that a measurable improvement can be achieved in the scale of these impacts. Fidelity Bank PLC will therefore work to achieve more sustainable operations by:

- Reducing energy, water and paper consumption;
- Supporting recycling of consumables and wastes; and
- Implementing technology and/or measures to eliminate or minimize pollution from our facilities.

3.2 Bank Activities

Bank activities include interactions with clients and other business partners. The banks clients fall under the following business areas:

- Consumer Banking
- Retail Banking
- Corporate Banking

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- Project Finance
- Financial Services

This policy applies to ALL bank customers including our consumer banking clients. For non-consumer banking clients, the policy will apply to acceptance of deposits.

Although the policy will not apply to businesses that were consummated prior to its coming into force, it may guide the review, risk evaluation and monitoring of such existing transactions in terms of material E&S risks. The materiality of such risks will be reviewed on a case by case basis and in line with applicable standards at the time.

4.0 CORE SUSTAINABILITY COMMITMENTS

In pursuance of our guiding SB philosophy and overarching objectives, Fidelity Bank has adopted core sustainability commitments across global and contemporary environmental and social issues. These core commitments drive, underpin and further guide the requirements outlined in this SB Policy.

4.1 Regulatory Compliance

Responsible Corporate Governance lies at the core of Fidelity Bank business operations and activities. It drives and interlinks our economic and sustainability objectives. The bank is therefore committed to and will promote compliance with all applicable environmental and social laws, regulations, standards and best practices that apply to our business and the customers we support.

4.2 Environmental and Social Risk Management

We will diligently assess our bank's exposure to business activities as well as the impact of our clients' businesses or projects. In doing so, we will adapt a commensurate approach that recognizes the nature and scale of our risk exposure and the business impacts. This will determine the nature, scope and extent of our engagement, assessment and involvement on specific business activities.

4.3 Climate Change

Fidelity recognizes that climate change is a serious global challenge and that climate-related impacts may impede economic, social well-being and development efforts. Working with the private sector and other parties to address climate change is therefore a strategic priority for the Bank. Given the importance of the private sector's



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role in the reduction of greenhouse gas (GHG) emissions, Fidelity will engage in innovative investments and advisory services to support climate-friendly solutions and opportunities for business. Fidelity will also support adaptation measures that promote sustainable investments.

Fidelity Bank will require its clients to include GHG emissions in their regular reporting to the Bank, where applicable. This will allow the Bank to quantify, manage and report on the carbon footprint of its direct lending and investment portfolio in accordance with the emerging state of practice on accounting and reporting.

Fidelity Bank's support for low-carbon economic development is one dimension of a balanced approach to development, including supporting access to modern, clean, and reliable energy services. The Bank pursues this objective through the use and development of relevant service products, instruments, markets, and advisory services as well as through the adoption of appropriate technologies, processes, and practices in the activities it supports.

The Bank, in its efforts to support its climate-related commitments, will build on its experience in energy efficiency, cleaner production, renewable energy, and carbon markets as well as in the development of GHG accounting and approaches to climate change risk assessment, to produce instruments and develop practices that allow its clients to consider climate-related risks and opportunities in their investment decisions.

4.4 Biodiversity Conservation

Fidelity Bank understands that the planet's biological diversity, which comprises its ecosystems, species and genetic material, is an integral part of human existence. Biodiversity provides substantial economic, cultural, recreational, nutritional and ecological benefits to humanity. The rapid loss of biodiversity worldwide remains one of the major global environmental challenges particularly in developing countries.

The bank also recognizes the importance of ecosystem services and their role in climate change mitigation as well as adaptation. The Bank is committed to minimizing business activities-related impacts on areas providing such services.

Fidelity bank will require that its customers assess the effects of their activities on biodiversity and its services within their areas of influence including supply chains. The bank will also require that its customers monitor and report impacts and biodiversity management measures in accordance with global best practices.



Fidelity Bank will not support business activities that lead to unguarded depletion of biodiversity or those that affect endangered species or protected areas.

4.5 Human Rights

Fidelity Bank will be guided by the International Bill of Human Rights and the conventions of the International Labour Organization. The Bank recognizes the responsibility of business to respect human rights, independently of the state duties to respect, protect, and fulfill human rights. This responsibility means to avoid infringing on the human rights of others and to address adverse human rights impacts business may cause or contribute to. Meeting this responsibility also means creating access to an effective grievance mechanism that can facilitate early indication of, and prompt remediation of various project-related grievances.

4.6 Women's Empowerment

Fidelity Bank appreciates the role of women in speeding up development, the wellbeing of societies and the environment and to the human development index of any country. We align with the findings of various studies that show that women reinvest a much higher portion in their families and communities, thereby spreading wealth and benefits over a wider area. We recognize that countries with greater gender equality tend to have lower poverty rates.

Moreover, companies with higher numbers of women in positions of leadership have indeed been shown to outperform others. We therefore value and will work to achieve a gender balanced and inclusive workforce in our business operations.

Fidelity Bank will promote women's economic empowerment through a gender inclusive workplace culture in our Business Operations and seek to provide products and services designed specifically for women through our Business Activities.

4.7 Social Empowerment

Fidelity Bank understands the concept of empowerment as a process that provides the capacity of individuals, groups and/or communities to gain control of their circumstances and achieve their own goals, thereby being able to work towards helping themselves and others to maximise the quality of their lives. To further our good corporate citizen objectives, we will seek to broaden the bank's social empowerment initiatives within our banking operations and in society.

4.8 Full Disclosure and Transparency

Fidelity Bank upholds principles of transparency in all its activities including acting in “utmost good faith” and ensuring timely, regular, reliable and relevant disclosure as we pursue sustainability within our organisation.

Fidelity Bank seeks to provide accurate and timely information regarding its lending, investment and advisory activities as well as more general institutional information in accordance with its Corporate Governance policies. The Bank also recognizes the importance of disclosure of information, both for itself and its clients, as a means of managing environmental, social, and governance risks.

The bank is therefore committed to global standards of audit and sustainability reporting.

5.0 SUSTAINABLE BANKING IMPLEMENTATION PROCEDURES

5.1 Sustainability in Business Operations

Fidelity Bank PLC is committed to improving its environmental and social footprint within our banking operations by implementing a number of measures over the short, medium and long term.

5.1.1 Energy Use

We will seek to reduce energy consumption at all our facilities nationwide by 5% year on year and will achieve this by:

- Monitoring our direct and indirect energy and fuel usage across our banking operations;
- Monitoring and evaluating fuel usage relating to power generation, air and land travel with a view to reducing total consumption over time;
- Integrating energy and fuel saving options into the design and operations of our new facilities;
- Increasing our use of renewable energy options;
- Gradually retrofitting our existing facilities with energy saving options such as renewable energy for lighting, motion sensitive switches and energy saving cooling systems.

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5.1.2 Water Use

We will monitor our water consumption and consider designs that reduce the use of water at all new bank facilities and develop a water reduction strategy for the entire bank. Our goal will be to reduce the bank's overall use of water by 5% year on year .

5.1.3 Paper Use

Our overall target on paper use will be to continually reduce paper used throughout our organization annually. We will achieve this by:

- Diligently monitoring our use of paper;
- Expanding our use of recycled paper;
- Promoting a "think before you print or copy" attitude, which encourages workers to carefully consider whether they need to make a physical copy or print a document;
- Operating a policy to print on both sides of papers and provide office tools that support this policy;
- Encourage reuse of envelopes; and
- As much as possible use electronic tools such as e-mail to replace forms, bank statements and other printed documents

5.1.4 Waste Management

We will develop a waste management plan that includes categorization, handling and disposal of all wastes we generate across our nationwide operations. For all solid wastes, we will pursue source reduction, recycling and reuse options. E-wastes will be given special attention and only approved government waste handling facilities will be used. Fidelity Bank will also consider supporting commercial waste recycling businesses.

5.1.5 Pollution and Loss Prevention

Our pollution and loss prevention strategy will focus on:

- Awareness on fire safety in the work environment;
- Ensuring we have adequate fire-fighting facilities and capacity;
- Proper handling and containment of fuels; and
- Development of an emergency response plan.

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5.2 Environmental and Social Risk Management (ESRM) for Business Activities

5.2.1 Transaction Screening and Customer Categorization

The bank's E&S Risk Management Process for Business Activities starts with a screening against the bank's excluded activities followed by the screening of the risk profile of the customers. This initial risk screening which is conducted by the Relationship Team is a function of the bank's exposure to the customer and the environmental and social impacts that are typically associated with the customer's business activities. The ESRM process will be applied to all customers whose business activities fall under any of the following:

- Loans and Advances
- Trade Finance
- Working Capital Finance
- Project Finance
- Asset Finance
- Structured Finance
- Syndicate Finance
- Term Loans
- Leases
- Consumer Finance
- Guarantees & Bonds Issuance
- Franchise Financing
- Letters of Credit
- Money Market and Treasury Services
- Distributors' and Suppliers' Finance Schemes
- Corporate Finance and Advisory Services
- Transaction Banking and Cash Management
- Non retail bank Cash Deposits

All of the bank's business activities covered under Section 5.2 shall be screened and categorized using procedures outlined below.

5.2.2 Exclusion List

Fidelity Bank shall not be involved in business activities or transactions that fall within our exclusion list¹. Our excluded business activities are:

¹ While the bank will maintain accounts for all customers involved in legitimate business, we will not offer loans to those involved in any business on exclusion list.

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- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES, 1975).
- Production or trade in weapons and munitions².
- Production or trade in alcoholic beverages (excluding beer and wine)¹
- Production or trade in tobacco¹.
- Gambling, casinos and equivalent enterprises¹.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where Fidelity Bank considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibres. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
- Production or activities involving harmful or exploitative forms of forced labour³/harmful child labour⁴.
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade in wood or other forestry products other than from sustainably managed forests.
- Businesses/activities involved in pornography
- Businesses/activities involved in child/women trafficking and prostitution
- Unauthorized logging or mining activities

5.2.3 Bank Exposure Assessment and Categorization

The assessment of the bank's exposure to its customers is based on the following criteria:

²This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

³Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

⁴Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

High Exposure Activities – These are those bank activities and/or products that commit the bank to ₦1,000,000,000 (One Billion Naira) and above, or the equivalent in other currencies, and which may expose the bank to direct risks, credit risk, market and reputational risks. Activities under this exposure category include:

- Project finance,
- Trade Finance
- Working Capital Finance exceeding 24 months tenor
- Long Term Loans and Advances exceeding 18months
- Investment banking
- Asset finance exceeding 24 months tenor
- Equity investments (with majority investment)
- Term loans exceeding 24 months
- Syndicated finance
- Franchise Financing
- Money market and treasury services
- Transaction banking and cash management
- Letters of credit

Bank activities that commit the bank to ₦500,000,000.00 (Five Hundred Million Naira) and above for over 24 months are also in this category.

Medium Exposure Activities – These are bank activities and/or products that commit the bank to between ₦500,000,000.00 (Five Hundred Million) and under ₦1,000,000,000.00 (One Billion Naira) or the equivalent in other currencies, and which may expose the bank to direct, credit, market and reputational risks. Business activities in this exposure category include:

- Short to medium term project finance (12 – 24 months)
- Short to medium term corporate lending (12--24months)
- Short term to medium term equity investments (12-24months)
- Short to medium term asset finance (12-24months)
- Private equity with minority interest

Low Exposure Activities– These are bank activities or products that commit the bank to less than ₦500,000,000(Five hundred million Naira) or the equivalent in other currencies, and which may expose the bank to direct or credit risks. Business activities in this exposure category are:

- Short term financing (12 months or less)
- Short term trade finance (12 months or less)
- Short term leasing (12 months or less)

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- Consumer Finance (12 months or less)
- Research and advisory services
- Retail banking

5.2.4 Impact Categorization

All project finance and business activities that are not on our exclusion list and to which the ESRM process applies will be screened and are categorized in terms of impacts, using the following process.

Category "A" (High Impact) Clients and Transactions

These are transactions, businesses or projects considered likely to have significant environmental impacts that can be sensitive, diverse or unprecedented. The transaction, business or project may affect an area broader than the site or facilities used by the company/project.

Category "B" (Medium Impact) Clients and Transactions

These are businesses, transactions or projects that could have potential adverse impacts on human populations or environmentally important areas but are generally less adverse than Category "A" type projects. Their interaction-resultant impact is site specific, and in most cases mitigatory measures can be designed easily.

Category "C" (Low Impact) Clients and Transactions

Transactions businesses, and/or projects categorized as C are usually benign. They typically have minimal or no adverse environmental impact.

The impact categorization will be handled by adequately trained bank staff using procedures outlined in the sustainable banking guidance notes.

5.2.5 Risk Assessment Categorization

The initial risk categorization for bank customers is determined based on exposure and impact rating. The process is summarized in Table 1 below. This overall risk categorization also determines the nature of risk assessments to be carried out for each customer. For instance, more detailed risk assessment procedures and requirements are required for major risk customers compared to low risk customers.

Table 1: Risk Assessment and Categorization Matrix.

Business Activity	Client Risk			
		Low Impact	Medium Impact	High Impact
	Low Exposure			
	Medium Exposure			
	High Exposure			
Legend				
	Low Risk			
	Moderate Risk			
	Major Risk			

5.2.5.1 Major Risk Activities – Detailed E&S Risk Assessment

Banking Activities are given a Major Risk ranking if they may lead to:

- High bank exposure and High transaction/client impacts
- High bank exposure and Medium transaction/client impact
- Medium bank exposure and High transaction/client impacts

All such activities will also require Detailed E&S Assessments. Detailed assessments include:

Client HSE Performance Evaluation

Specifically, the bank will evaluate client's Environmental and Social Performance against our guiding regulatory frameworks including applicable statutory laws, standards and guidelines and others that the bank subscribes to such as the Equator Principles and the IFC PS. Key areas of assessment are:

- *Environmental Performance*
 - The client being able to identify its own E&S impacts;
 - Availability and/or adequacy of appropriate procedures and management systems to handle E&S impacts;
 - Budget, competence and organizational capacity to implement E&S management;
 - Compliance with applicable E&S permit, standards and other regulatory requirements;
 - Sanctions for non-compliance with permit requirements; and
 - Environmental conditions around client's area of operations.
- *Social Performance*
 - Compliance with applicable labour laws including pension

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- Labour relations including labour manual and grievance mechanism
- Medical insurance for workforce
- Occupational health and safety
- Community neighbour relations

Site Visits

Detailed assessments will include site visits and interviews with key client personnel and other individuals (e.g., E&S regulators) as may be considered necessary.

For detailed assessments, bank staff will be required to perform preliminary exposure and impact categorizations. The bank will engage external E&S specialists if considered necessary, to review the categorizations, and to conduct the evaluation of the client's E&S Performance in relation to criteria set out above.

5.2.5.2 Moderate Risk Activities–Focused E&S Risk Assessment

Activities are given a Moderate Risk ranking if they have a combination of:

- Medium bank exposure and Medium transaction/client impact
- Low bank exposure and High transaction/client impact
- High bank exposure and Low transaction/client impacts

Transactions and/or projects in this risk category will undergo Focused E&S risk assessment. This will involve the review of the clients' environmental and social performance in relation to very specific areas.

Relationship staff will typically perform the exposure, impact categorizations and overall risk assessment. The bank may engage external E&S specialists in exceptional cases either to review the categorizations, and to conduct the evaluation of the client's E&S Performance.

The assessment will be typically based on responses to E&S questions and a review of certain client documents. Some projects or transactions may require site visits.

5.2.5.3 Low Risk – Basic E&S Risk Assessment

Activities are given a Low Risk ranking if they have a combination of:

- Low bank exposure and Medium transaction/client impact
- Low bank exposure and Low transaction/client impact
- Medium bank exposure and Low transaction/client impacts

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Projects in this risk category will undergo Basic E&S risk assessment using a checklist. This will typically involve the review of the transaction or clients' environmental and social performance in relation to one or two areas of environmental and social performance. Examples include waste management and labour relations.

5.2.6 E&S Risk Assessment for Project Finance

In addition to the client risk assessments outlined in earlier sections, all project finance transactions will be required to comply with Environmental Assessment categorization procedures as outlined below.

Category A (High Impact) Projects

For these types of businesses and/or transactions, a full environmental assessment will be required (usually referred to as an Environmental Impact Assessment (EIA) or Environmental and Social Impact Assessment (ESIA). Such an assessment would review the potential positive and negative impact of the project comparing this with feasible alternatives (including the "without project" scenario), and recommend measures needed to prevent, minimize, mitigate or compensate for the adverse impact and improve overall performance. The bank will also require that the EIA is approved by the appropriate regulatory authority in Nigeria and meet the E&S standards of any Development Finance Institutions (DFI) partnering with the bank on the project. For the latter, compliance with the requirements of the IFC PS and AfDB Integrated Safeguards System will typically suffice.

At times, the assessment and management of certain environmental and social risks and impacts may be the responsibility of the government or other third parties over which a client does not have control or influence. While the client cannot control the government or third-party actions, an effective Environmental and Social Management System (ESMS) will suffice. The ESMS should identify the different entities involved and the roles they play, the corresponding risks they present to the client, and opportunities to collaborate with third parties.

Category B (Medium Impact) Projects

Category B Projects and/or transactions may also require ESIA. However, the scope and approval process of the EIA or ESIA will usually be less involving than Category A Projects. The scope and coverage of ESIA studies will also vary from project to project. Approval requirements and DFI standards will be the same as for Category A.

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Category C (Low Impact) Projects

In general, beyond screening, no further EIA action is required for this type of transactions or projects. Some category C projects may however require Environmental and Social Management Plans (ESMP).

5.2.6.1 Policy on Project-related Involuntary Resettlement

Fidelity Bank Policy on involuntary resettlement recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use such land. The policy seeks to ensure that the bank is satisfied with the assessment and measures proffered by promoters of projects that could lead to displacement of persons from their lands and/or assets or access to resources, which may lead to dislocation, loss of income, or other adverse impacts. Projects affected by this policy include those that lead to:

- Land rights or land use rights acquired through expropriation or other compulsory procedures in accordance with the legal system of the host country;
- Land rights or land use rights acquired through negotiated settlements with property owners or those with legal rights to the land if failure to reach settlement would have resulted in expropriation or other compulsory procedures;
- Project situations where involuntary restrictions on land use and access to natural resources cause a community or groups within a community to lose access to resource usage where they have traditional or recognizable usage rights;
- Situations requiring evictions of people occupying land without formal, traditional, or recognizable usage rights; or
- Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, freshwater, medicinal plants, hunting and gathering grounds and grazing and cropping areas.

Project promoters, borrowers whose activities are affected by this policy will be required to pursue resettlement or rehabilitation procedures in accordance with requirements of IFC Performance Standard 5 including the preparation of an acceptable Resettlement Action Plan (RAP).

This Policy does not apply to resettlement resulting from voluntary land transactions (i.e., market transactions in which the seller is not obliged to sell and the buyer cannot

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resort to expropriation or other compulsory procedures sanctioned by the legal system of the host country if negotiations fail). It also does not apply to impacts on livelihoods where the project is not changing the land use of the affected groups or communities.

5.2.6.2 Stakeholder Engagement and Disclosure

Fidelity Bank believes that stakeholder engagement and public disclosure are critical to successful project implementation. The bank shall require that promoters of projects categorized as A and B under Project Finance above demonstrate that a stakeholder engagement process that includes stakeholder categorization and mapping has been carried out. As applicable, such engagement will include communities within and around the project's area of influence.

Additionally, the bank requires that ESIA Reports for Category A and B projects are disclosed to communities within the project's area of influence and the general public through a structured approach. The project promoters/borrowers will be required to disclose the ESIA findings publicly in a location at or near the project site which is accessible to locally affected communities and on the project website for a minimum of 60 days. Disclosure of a non-technical summary around the communities should be in English and the local language and culturally appropriate.

5.2.7 E&S Risk Assessment for Key Sectors

Due to their importance to the Nigerian economy and well known associated and potential impacts on the environment, the following sectors will be given special focus in our E&S Risk Management process:

- Oil and Gas
- Agriculture
- Power
- Mining
- Infrastructure/Construction
- Cement Product
- Chemical Production

Business activities in these sectors will be carefully assessed in line with the assessment requirements of the Nigeria Sustainable Banking Principles Sector Guidelines to determine the appropriate level of risk. At a minimum, clients and transactions that fall into any of these sectors will be treated as Moderate Risk requiring Focused E&S Assessments. However, all project finance in any of the sectors

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will be handled as outlined in Section 5.2 while non-project finance may attract Detailed or Basic E&S Assessments depending on the nature and scale of the specific business activity. To facilitate this process, all our clients will be screened to determine those whose activities fall in these sectors.

Please refer to the Nigeria Sustainable Banking Principles Sector Guidelines of the CBN for guidance.

5.3 E&S Risk Assessment for Granting Credit

Fidelity currently operates a credit risk assessment process, which is used to evaluate all loans given out by the bank. Processes outlined below summarize how ESRM will be further integrated into the various stages of the process. The process flow is also illustrated in Table 3 and Figure 1. Roles and responsibilities of key staff in its implementation are also indicated. The SB Guidance Notes provide additional guidance on the process.

Although the risk assessment process will not be applied retroactively, Fidelity Bank will apply it to changes in business activities where changes in scale or scope may create significant environmental and social risks and impacts, or significantly change the nature or degree of the impacts of the business activity. This will also apply to expansion or upgrade in the case of project finance.

5.3.1 Initiation of Credit Request

Credit (or loan) requests are initiated by market facing relationship staff at the Head Office and the bank's Branches. The initiating staff is required to obtain the current internal risk rating of the loan applicant and carry out the initial exclusion list screening, E&S classification and categorization of the client and business activity using the procedures outlined in Sections 5.2.1 to 5.2.3. The initiating staff also identifies the IFC Performance Standards that apply to the business activity. A number of supporting E&S documents are also required at this stage. Document requirements will be determined by the nature of the business activity and risk rating. The outcome of the screening exercise, categorization, documents availability and other credit considerations is documented through an online memo known as the Credit Analysis Memorandum (CAM). The CAM is reviewed and approved by the initiating staff's supervisors before it is forwarded to the next stage. Where the initial category of the customer is High Impact or Medium Impact (category A or B), the request is forwarded to the Sustainable Banking Department for in-depth and independent E&S analysis, following which a final categorization is determined based on the IFC

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Performance Standards and client E&S performance. However, a request with low impact (category C) will be forwarded to the Credit Appraisal Team.

5.3.2 Credit Analysis and Risk Rating

At this stage, the Credit Appraisal will be required to:

- Check that the required initial E&S categorization for the project has been done;
- If not, return the CAM to the relationship staff to complete the initial E&S categorization;
- Confirm if the categorization is in line with the bank's SBP requirements;
- If not, email a copy of the CAM to the Sustainability Banking Unit to conduct further assessment.

The Sustainable Banking Dept. will be required to:

- Review E&S documents submitted by customer and if necessary request for further documentation;
- Determine if the E&S assessment and categorization are satisfactory;
- If necessary, carry out additional assessment and categorization or recommend the engagement of a specialist as may be considered necessary
- Accept or re-rank the credit in terms of risk/impact; and

Upon completion of the E&S assessment and credit analysis:

Credit Analyst shall generate a Credit Comment Memorandum (CCM) which documents the appraisal decisions to decline the credit or recommendations to progress it to next stage specifying appropriate conditions (including E&S conditions and covenants.)

5.3.3 Credit Approval

Credit approvals are dealt with based on the amount involved. The approving authorities and their corresponding approval limits are indicated in Table 2.

Table 2: Fidelity Bank PLC Credit Approval Authorities and Limits
Individual Approval Limits

	Limit	Tenor
Business-Facing Executive Director	N100m	All tenors
Managing Director/Chief Executive Officer	N200m	All tenors

Committee Approval Limits

	MCC	BCC	Board
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Obligor Risk Rating	Up to 2yrs	3-5yrs	>5yrs	All Tenors	All Tenors
AAA - A	N3bn	N2bn	N1bn	N7.5bn	Above BCC Limit up to Single Obligor Limit
BBB-B	N2bn	N1.5bn	N1bn	N5bn	
CCC-C	N0.5bn	N0.3bn	Nil	N2bn	

It is expected that the approval process for ED's and CEO will include the review of the E&S assessment, risk rating, ESRM recommendations and conditions attached to the credit. The CEO and ED's will not approve any credit/loan application that does not comply with the bank's process particularly those categorized as major or moderate risk transactions.

A deferment of ESRM compliance requirements may be obtained in rare cases, where there are compelling reasons. However, ALL such deferments must be clearly justified by the requesting officers and approved by:

- MD/CEO for credits below ₦500,000,000;
- Board Credit Committee for loans above ₦500,000,000 but less than ₦1billion; and
- Full Board of Directors for loans above ₦1billion.

Consent of the Chief Risk Officer must be in place before approval for deferment of ESRM condition/s is exercised.

5.3.4 Develop Offer Letter Terms and Conditions

All ESRM conditions attached to credit approvals will be included in the offer letter and loan agreement signed with the borrower. Conditions shall be clear and will include timelines for completion and monitoring. Conditions may include action

plans that require development of complete Health Safety and Environmental Management System (HSEMS) or some of its elements, preparation of, or updates to ESIA Reports, investment in human resources and/or technology to achieve compliance with statutory requirements on emissions and/or waste standards or other requirements such as those of the World Bank, IFC or World Health Organization as apply to the business activity.

5.3.5 Monitor and Report Credit Performance

Approved credits will typically contain certain conditions to be met during the tenor of the facility. All ESRM conditions contained in the credit agreement will be monitored periodically during the tenor of the facility.

Portfolio monitoring is the responsibility of relationship managers. During the tenor of a loan facility, they will be required to check the customer's compliance with ESRM terms of the loan including as may be applicable, requirements contained in ESIA and/or Environmental and Social Management Plans (ESMP) applicable to the project or customers' activities, and any others prescribed by applicable regulatory authorities.

Monitoring will also cover compliance with requirements of applicable IFC Performance Standards and specific conditions included in action plans, as well as relevant provisions for environmental and social reporting, and inspection visits by Fidelity staff or representatives, as appropriate.

Where bank customers fail to comply with its environmental and social commitments as expressed in the legal agreements and associated documents, the bank will work with the client to bring it back into compliance, and if the client fails to re-establish compliance, Fidelity will exercise its rights and remedies, as appropriate.

Fidelity requires that its customers inform the bank when there is a material change in their businesses or when they plan to enter into a new business area that is materially different from what was represented when Fidelity obtained Board approval. In such circumstances, the Bank will assess whether the new business area poses environmental and/or social risks and/or impacts, and if so, will require the client to adjust its Environmental and Social Management System (ESMS) in a manner consistent with potential environmental and social risks and impacts associated with material changes of these new businesses. Fidelity may request the client to provide results of its environmental and social due diligence for activities financed in these new business areas.

5.3.6 Compliance Requirements

The role of the bank's Credit Control Unit in the ESRM process will be to check that ESRM terms and conditions recommended in the loan approval documentation and indeed contained in the signed loan offer letter to the client are complied with prior to

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disbursement. They will also be required to check that both relationship managers and the Loan Portfolio Monitoring and Reporting Group are carrying out periodic monitoring of the client's compliance with the E&S conditions as contained in the loan conditions.

Table 3: Summary of Staff Roles and Responsibilities in E&S Assessment for Granting Credit

Task	E&S Action	Responsible Parties
Initiate Credit Request	Classify Bank Exposure and Client Impact and include in CAM. Compile E&S data requirements.	Relationship Managers/their Supervisors
Environmental and Social Risk Assessment	Check correctness of Exposure and Impact Classifications. Review E&S Documentation attached to application. Conduct in-depth E&S assessment. Identify and develop E&S conditions to be attached to the credit.	Sustainability Banking
Credit Appraisal	Check Exposure and Impact Classification, Review E&S Documentation attached to application as well as Risk Rating. Generate CCM and confirm if process can proceed to approval stage.	Credit Appraisal Team
Approve Credit	Check and sign off on E&S rating, Conditions & Covenants	EDs, CEO, MCC, BCC and Full Board
Compliance Checks	Confirm that E&S conditions are included in offer letter	Relationship Managers, Legal Services Unit, Loan Documentation Unit and Credit Control Team
Portfolio Monitoring	Monitor customers' compliance with E&S conditions attached to loan and any other prescribed in the ESIA and by regulators	Relationship Managers, Loan Portfolio Monitoring and Reporting Group and Sustainable Banking

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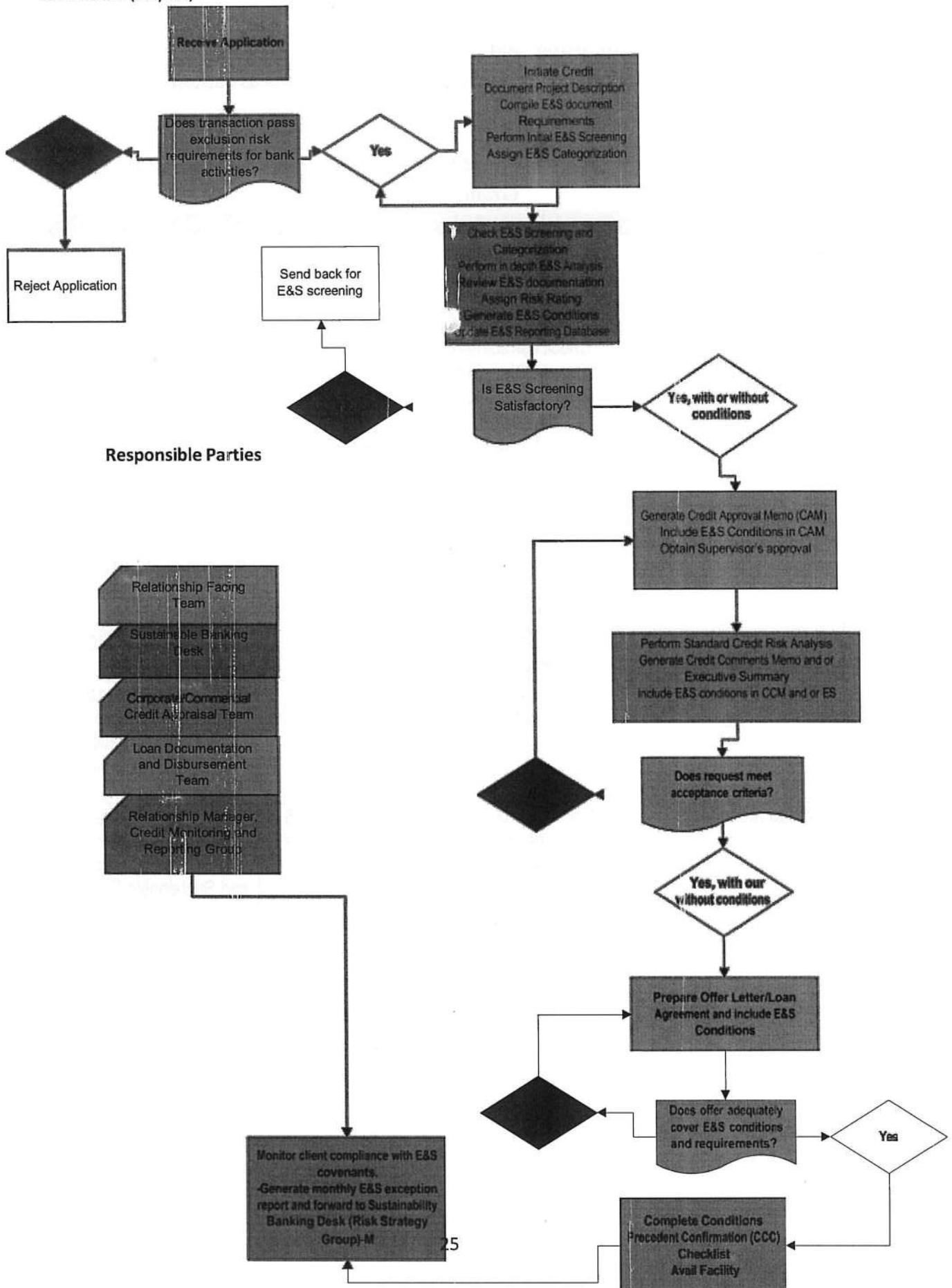


Figure 1: Fidelity Bank Process Flow for E&S Risk Assessment in Credit

5.4 Financial Inclusion

Our Financial Inclusion Policy aligns with our strategic objective of being the most customer focused Bank in Nigeria. The policy seeks to broaden the bank's products and outreach with particular focus on banking disadvantaged people. Driven by extensive research and stakeholder consultation, we will expand existing bank products and pursue new ones in the following areas:

- Agent Banking;
- Mobile Banking;
- Improved SME Funding; and
- Micro Finance.

As may be necessary, we will partner and collaborate with government agencies and support service providers to deliver these and other products to:

- Geographically disadvantaged groups
- Culturally disadvantaged groups
- Semi-literate persons
- The informal sector
- Small and medium scale companies.

Our general approach will be to develop and implement pilot schemes, which if successful, will be enhanced and expanded for broader application.

In addition, we will designate certain bank branches across the nation to provide support for physically challenged people. Such branches will be equipped with wheel chair entry points into the bank.

5.5 Cross Cutting Social Themes

In accordance with our overall sustainability goals, and objectives outlined in the Nigerian Sustainable Banking Principles (NSBP), the bank will also develop policies on Human Rights and Women Empowerment, which are two key areas of social development that cut across our business operations and business activities.

5.5.1 Human Rights

We prize our workforce and recognize that it is important to the long term survival of the organisation. We will therefore protect the basic rights of our workers by:

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- Promoting fair treatment, non-discrimination, and equal opportunity of workers;
- Not discriminating against or disrespecting our employees on the basis of colour, sex, tribe, religion, political opinion and will respect their rights in constructive negotiations;
- Not employing children or forced labour;
- Establishing, maintaining, and improving the worker-management relationship;
- Complying with national employment and labour laws, and with best global practices;
- Promoting due diligence in areas in which labour risks exist, such as migrant workers, workers engaged by third parties, and workers in the client's supply chain;
- Providing safe and healthy working conditions for all our personnel;
- Ensuring that our offices offer healthy work environments, have proper exits, emergency procedures and fire-fighting facilities;
- Developing, maintaining and communicating relevant labour policies and work safety procedures to all employees;
- Periodically reviewing and updating labour and work safety procedures; and
- Maintaining strategic relationships with service providers to protect the health and safety of our workers and physical assets.

5.5.2 Women Empowerment

We will develop and implement a robust women's empowerment program, which will lead to an increase in the number of women in positions of authority within the bank. The program will include targeted recruitment, focused capacity building and monitoring. Our goal will be to achieve a minimum of 40% in women representation from the middle management level and above across the bank over the next 5 years. Additionally, we will broaden our business operations to include women in areas where they were hitherto not involved or minimally involved. We will also develop more products that are targeted at traditionally women run enterprises and/or businesses.

5.6 Governance of the Policy

Governance of the bank's SBP and process involves its Board of Directors, top management, key personnel and all core staff within the organisation. Their roles and

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responsibilities are outlined below while Figure 2 provides the bank-wide organogram showing the position of key personnel categories.

5.6.1 *Board of Directors*

A key function of the Board of Directors of Fidelity Bank PLC is to act and take decisions in the long-term interest of the bank. In relation to Sustainable Banking, the BOD will:

- i. Approve and periodically review the bank's Sustainability Policy and requirements;
- ii. Support the spirit and letter of the SB Policy and requirements;
- iii. Not support and/or approve banking activities that do not comply with the bank's SB Policy requirements and procedures;
- iv. Exemplify high standards in SB within Financial Institutions; and
- v. Be accountable for fulfilment of their SB functions.

5.6.2 *The Managing Director/Chief Executive Officer*

The Bank CEO is ultimately responsible for the success or otherwise of the Policy. In addition to leading by example, he or she will be required to provide the resources and management support required to mainstream Sustainable Banking within the organisation. In this regard, it is expected that the CEO will:

- Gain a minimum understanding of E&S issues as relate to the bank's operations and activities;
- Ensure bank annual plans and budget cover required resources for implementing SB;
- Issue periodic internal memos to reinforce the bank's commitment to SB;
- Approve key performance indicators (KPI) for SB implementation within the bank;
- Participate in various fora on sustainable banking and sustainable development in general;
- Sign internal and external documents that show the bank's commitment to its SB Policy;
- Not support or approve loans and funding of banking activities that do not meet the bank's SB Policy requirements;
- Call for and review progress reports on SB implementation within the organisation; and

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- Develop and implement a reward system for SB Policy implementation within the organization.

5.6.3 Executive Director – Risk/ Chief Risk Officer

The Bank's Executive Director (ED) in charge of risk management is the owner of the Sustainable Banking process and its implementation. He or she will be required to lead by example and oversee the implementation of Policy within the bank. The ED Risk, will also be required to:

- Gain a working knowledge of E&S issues as relate to the bank;
- Ensure that the bank's Enterprise Risk Group allocates adequate financial and other resources to SB implementation within the organisation;
- Ensure adequate capacity building of staff within the bank on E&S issues;
- Establish and monitor key performance indicators (KPI) for SB performance within the bank;
- As may be required, set up committees and appoint personnel to drive and coordinate aspects of the SB implementation;
- Call for and review progress reports on SB within the bank;
- Ensure the bank complies with all statutory requirements on SB and ESRM;
- Provide regular updates to the CEO, the bank's Board of Directors, Central Bank of Nigeria, other partner DFIs and the public on SB implementation within the bank.

5.6.4 Sustainable Banking Implementing Department

Fidelity Bank PLC will create a Sustainable Banking (SB) Dept. within Risk Management Directorate to oversee the day to day implementation of the Bank's Sustainable Banking Policy and process requirements. The Head of the SB Dept. shall report to the Chief Risk Officer and will have the following key roles and responsibilities:

- Through regular training, gain and maintain a good working knowledge and understanding of E&S issues as relate to the bank;
- Lead by example in carrying out official duties;
- Develop, implement and check performance of SB procedures for bank operations;
- Develop, implement and check performance of SB procedures for bank activities;
- Identify tools, training and external specialist support-requirements;
- Work closely with external resources engaged by the bank to implement SB;

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- Develop annual plans and budgets for the SB Policy implementation;
- Develop and coordinate a client engagement strategy for the bank on the ESRM requirements of the SB Policy;
- Ensure periodic and regular reporting on SB performance to management and regulators;
- Ensure necessary awareness on the bank's SB process among all bank staff;
- Engage with a variety of stakeholders and specialists as may be required to better understand and manage E&S issues and mainstream ESRM within the bank;
- Make recommendations to the ED-Risk and other senior management staff of the bank on initiatives and opportunities in-support of the banks SB goals and targets;
- Monitor behaviour and attitude of bank staff on SB implementation;
- Prepare quarterly, bi-annual and annual reports on SB implementation in the bank. The reports will among others, indicate the banks progress with the established SB KPIs; and
- Review and upgrade the bank's SB Policy, process and requirements as may be required from time to time;

5.6.5 Branch Leaders and TSD Heads

As managers of other core bank staff, Branch Leaders and TSD Head also have key roles and responsibilities in the governance and implementation of SB within the bank including:

- Attendance of SB training programs and activities;
- Maintaining a working knowledge of the bank's E&S requirements for business operations;
- Preparing and submitting monthly reports on SB data in banking operations; and
- In relation to SB, acting as agents of change across the bank.

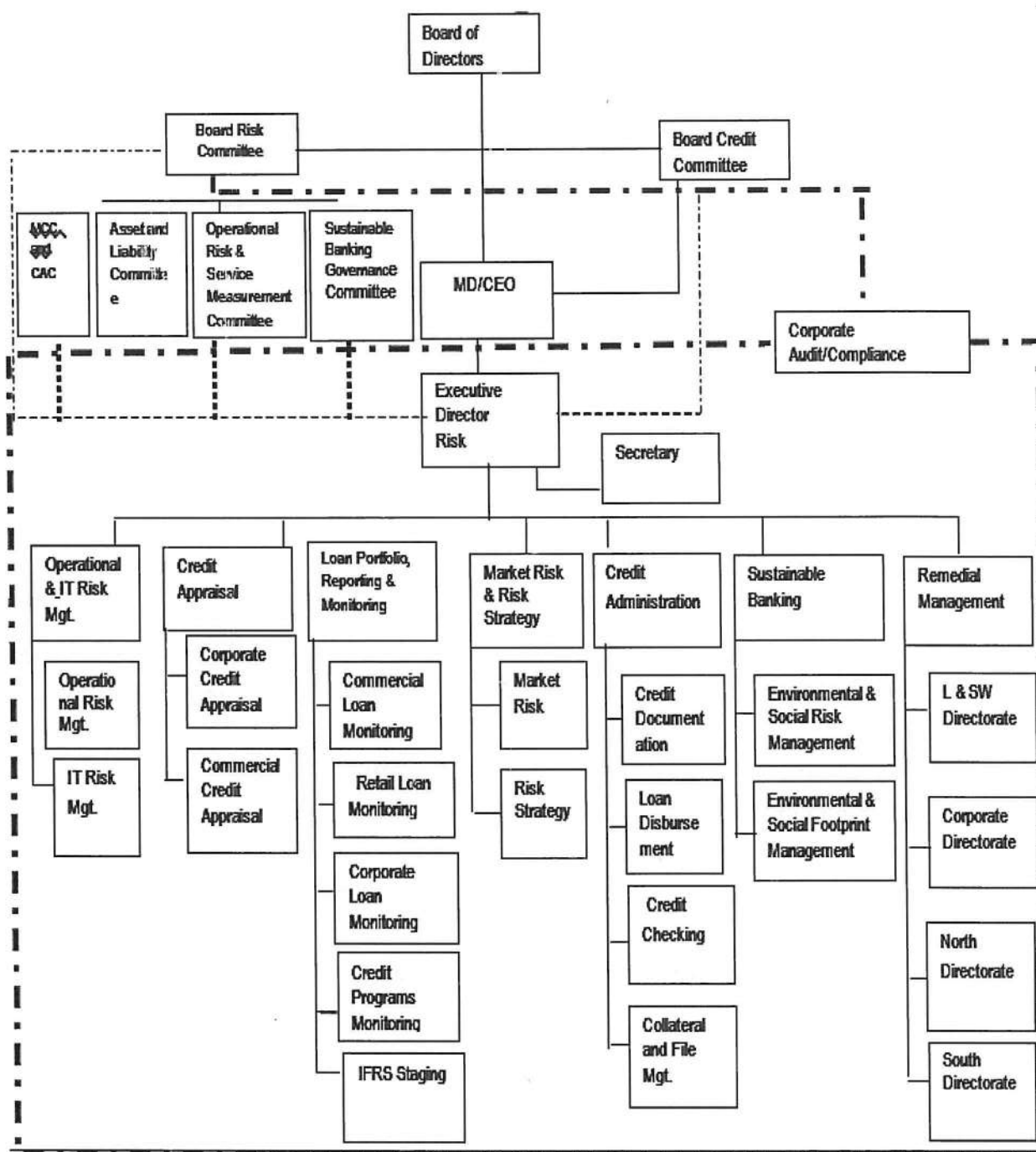


Figure 2: Fidelity Bank PLC – Risk Management Organogram

5.6.6 SB Governance Committee

Fidelity Bank will set up a SB Governance Committee (SBGC) headed by the MD/CEO to oversee the Bank's implementation of this SB Policy and requirements. The role of the Committee will be to:

- Implementation of the Sustainable Banking Policy and Guidance Notes.
 - To oversee the implementation of the Environmental and Social Risk Management procedure in the Bank.
 - To oversee the implementation and management of the Bank's E&S footprints
 - To oversee the implementation of other sustainability cross cutting issues in the bank
- To review the Bank's environmental performance and progress, to consider and approve methods of measuring, assessing or validating the Bank's performance, and, where appropriate, to assign external independent assessment of the direct and indirect impact of any aspect of the Bank's operations.
- To provide guidance on the Sustainability component of Directors' training programmes and provide the Board with assurance that relevant executive training programmes, including credit and marketing officer training courses, contain appropriate Sustainability training.
- To oversee the Bank's charitable activities and environmental partnerships.
- To appoint, employ or retain Environmental and Social Consultants as may be considered appropriate.
- To review and advise the Board on the Bank's Sustainability reporting.

Members of the SB Governance Committee are:

- | | |
|---------------------------------|------------|
| - MD/CEO | - Chairman |
| - All Executive Directors | - Members |
| - Chief Risk Officer | - Member |
| - Chief Compliance Officer | - Member |
| - Chief Digital Officer | - Member |
| - Chief Information Officer | - Member |
| - DH, Operations | - Member |
| - Chief Human Resources Officer | - Member |
| - DH, Product Development | - Member |
| - DH, Managed SMEs | - Member |
| - DH, Corporate Services | - Member |
| - DH, Brand and Communications | - Member |
| - DH, Internal Control | - Member |
| - Company Secretary | - Member |

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- | | |
|---------------------------------|-------------|
| - Head Legal Services | - Member |
| - Head Internal Control | - Member |
| - DH, SIBT | - Member |
| - Head, CSR & Sustainability | - Member |
| - Head Sustainable Banking Unit | - Secretary |

5.6.7 Other Core Bank Staff

Responsibilities of other core bank staff such as banking officers, deputy managers, relationship managers and others in implementing the bank's SB Policy include:

- Attendance of SB training programs and activities;
- Maintaining a working knowledge of the bank's E&S requirements for business operations and activities and their applicability;
- In relation to SB, acting as agents of change across the bank

5.7 Training

As may be required to achieve our strategy, goals, SB plans to internalize sustainability within our business operations and activities, we will embark on bank-wide staff-awareness and attitude-change campaigns. This will be supported by conspicuous office signs and periodic memos and workshops to reinforce our internal processes, procedures and staff attitude.

When required, we will engage specialists to provide E&S training for staff on key topics such as:

- Sustainable development
- E&S risks in the financial institution
- Sector specific E&S impacts and risks
- Green options for corporate organizations (including waste management, pollution, paper reduction etc.).

The bank will also implement a train the trainer program, through which a number of "Sustainable Banking Champions" will emerge. These "Champions" will act as agents of change in their various offices.

Each financial year, we will commit adequate resources to reinforce our SB Policy commitments and equip our staff with the necessary tools and knowledge-base to implement the policy and its requirements.

5.8 Reporting

Regular periodic reporting is critical to the effective implementation of this SB Policy and its requirements. Reports to be prepared are:

5.8.1 Monthly SB Progress-Reports

TSD Heads and Branch Leaders will be required to report progress with SB implementation within their respective areas of operations on a monthly basis. The SB Dept. will prepare and submit monthly SB implementation Progress Reports to the ED-Risk/ Chief Risk Officer. The report will capture the following:

- SB training activities;
- Client engagement activities;
- Progress with established KPIs;
- Key challenges and recommendations for change; and
- Progress with SB initiatives in banking operations and activities.

5.8.2 Quarterly SB Reports

The SB Dept. shall prepare and submit a quarterly SB implementation Progress report to the Board.

5.8.3 Bi-Annual SB Report

The SB Dept. will prepare and submit bi-annual SB Reports on the banks performance to the Central Bank of Nigeria. The report will cover banking operations and banking activities as well as the bank's progress on implementing SB. The Guidance Notes provide guidelines and additional details for preparing the bi-annual report.

5.8.4 Annual SB Reports

The bank will prepare an annual SB Report to communicate its activities and performance on sustainability to the regulators and the public. The report will be prepared in accordance with the requirements of the Nigerian Sustainable Banking Principles (NSBP) and Sustainability Reporting Guidelines (G4) of the Global Reporting Standards.

The report will provide standard and specific disclosures. In relation to sustainable banking, standard general disclosures will cover:

- Strategy and Analysis
- Organizational Profile
- Identified Material Aspects and Boundaries
- Stakeholder Engagement
- Report Profile

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- Governance
- Ethics and Integrity

Specific disclosures will cover:

- Disclosures on Management Approach
- GRI and/or NSBP specified indicators.

The Guidance Notes provide guidelines and additional details for preparing the annual report.

6.0 CONTINUOUS ENGAGEMENT AND COLLABORATION

We recognize the importance of regular engagement and where applicable collaboration with key stakeholders in our journey towards mainstreaming ESRM within the bank. To this end, the bank will ensure appropriate and constructive engagements with our key stakeholders:

- **Our Clients** – Open and continuous dialogue on our ESRM requirements, compliance challenges and feedback.
- **Partner Financial Institutions** – Knowledge and experience sharing, best practices and new initiatives.
- **Regulators** - Regular reporting, transparency, accountability, feedback and challenges.
- **The Public** – Progress, key milestones, opportunities and general feedback.

Fidelity Bank shall collaborate with the network of private and public sector stakeholders to promote dialogue on sustainable private sector development. Examples of Fidelity's collaboration and liaison role include:

- i) Setting standards and supporting sector-wide standard-setting initiatives focused on management of environmental and social risks and impacts by private sector companies;
- ii) Identifying and disseminating private sector Good International Industry Practice (GIIP) in the area of financial, environmental and social sustainability;
- iii) Promoting sustainable financial markets through dialogue and engagement with Equator Principles Financial Institutions and financial market participants;
- iv) Promoting sustainable financial markets in developing countries through dialogue with central banks and regulatory bodies on enabling the business environment for environmental and social risk management by financial

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- institutions as well as the engagement with individual financial institutions on the benefits of environmental and social risk management;
- v) Participating on environmental and social matters in syndicated loans and joint projects with other financial institutions, and promoting close coordination and harmonization among the participating institutions; and
 - vi) Liaising with relevant international financial institutions and/or national agencies on strategic, regional, and/or sectorial environmental assessment, where appropriate, for private sector business activities with significant environmental or social issues.

7.0 BUDGET

The Bank's SB Dept. shall be required to draw up an annual implementation plan. The plan shall be supported with an annual budget.

8.0 POLICY REVIEW

The Bank's SB Dept. shall be required to coordinate a formal process to review this policy every two (2) years. The review shall be in terms of coverage, completeness, adequacy to meet both internal goals and requirements of applicable laws, regulations and standards. All changes including amendments, additions and/or deletions to the policy shall be documented and approved by the ED-Risk, prior to implementation.

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http://www.equator-principles.com/resources/equator_principles_III.pdf
- 8.1.5 Global Reporting Initiative (GRI) (2012)
<https://www.globalreporting.org/reporting/reporting-framework-overview/Pages/default.aspx>
- 8.1.6 IFC Performance Standards on Environmental and Social Sustainability (2012)
http://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES
- 8.1.7 National Environmental Standards and Regulations Enforcement Agency (NESREA) Act (2007) and Regulations
<http://www.nesrea.org/images/National%20Policy%20on%20Environment.pdf>
- 8.1.8 Nigerian Labour Act (1990) <http://www.nigeria-law.org/LabourAct.htm>
- 8.1.9 The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (1975)
<http://www.cites.org/eng/disc/text.php>
- 8.1.10 The Nigerian Sustainable Banking Principles (NSBP) (2012)
<http://www.cenbank.org/out/2012/ccd/circular-nsbp.pdf>
- 8.1.11 United Nations Environment Programme Finance Initiative (UNEP FI) (2008)
http://www.unepfi.org/fileadmin/statements/UNEPFI_Statement.pdf



APPENDICES

APPENDIX 1 – GUIDANCE NOTES

APPENDIX 2 – INDUSTRY FACT SHEETS

Power	Key Sustainability Issues
<p>Generation: Power is generated from both renewable and non-renewable sources of energy e.g., Wind, Solar, Hydro, Geothermal, Biomass, Gas, Coal, and Nuclear</p> <p>Transmission: The bulk transfer of electrical energy, from generating power plants to electrical substations located near demand centers; and</p> <p>Distribution and Marketing: for industrial, commercial, public and residential customers (the final stage in the delivery of electricity to end users)</p>	<p>Generation</p> <ul style="list-style-type: none"> ✓ Large scale water usage in the condensation of thermodynamic cycles in conventional plants and in coal plants to clean and process fuels ✓ Involuntary resettlement (Physical and Economic) and Land-take ✓ Occupational Health and Safety ✓ Aquatic and terrestrial habitat degradation by construction of power plants and live transmissions ✓ Emissions, effluents and solid waste generation, handling and disposal ✓ Vibration and noise from heavy equipment and trucks <p>Transmission</p> <ul style="list-style-type: none"> ✓ NIMBYism (Not in my backyard) i.e. objection to the presence of power transformers and substations in the neighbourhood ✓ Occupational and community health and safety ✓ Site contamination ✓ Noise and ozone from transformers and high voltage power lines ✓ Aircraft navigation: safety due to location of power transmission towers <p>Distribution and Marketing</p> <ul style="list-style-type: none"> ✓ Exposure to live power lines ✓ Occupational Health and Safety ✓ Exposure to hazardous chemicals ✓ Exposure to Electro Magnetic Field

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Real Estate Sector Fact Sheet



Real Estate	Key Sustainability Issues
<p>Involves Acquisition of land, Construction and/ or Renovation of buildings and other infrastructure which could be for industrial, general commercial or residential purposes. Real estate developments usually involve three phases; Pre construction, construction and post-construction/operation phases.</p>	<p>Pre-Construction and Construction</p> <ul style="list-style-type: none"> ✓ Involuntary resettlement (Physical and Economic) and land-take ✓ Habitat fragmentation and degradation from site clearing activities ✓ Occupational and Community Health and Safety ✓ Changes to natural systems/processes and consequent loss of species and ecosystem services ✓ Emissions e.g., dust, generator exhaust and other air pollutants ✓ Solid waste generation and handling ✓ Effluents handling and disposal ✓ Run off from construction site to surface water ✓ Increased transport and traffic (vehicular) ✓ Influx of people to construction area leading to community conflict and pressure on existing infrastructure ✓ Noise and Vibration from construction equipment and trucks ✓ Labor Relations ✓ Accidents including fire, fuel/chemical spills and explosion ✓ Large scale water and energy usage <p>Post-Construction</p> <ul style="list-style-type: none"> ✓ Sewage generation once infrastructure becomes operational. ✓ Solid waste comprising paper, plastics, food, electronic waste and others will be generated regularly ✓ Drainage and storm water management ✓ Indoor air quality ✓ Environmental pollution from fuel storage and handling

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Telecommunications Sector Fact Sheet

Telecommunications

Key Sustainability Issues

Telecommunications

provides medium of

data, graphics, voice

and videos over a

distance by means of

electrical signals or

electromagnetic

waves.

Construction of Communication Infrastructure (e.g. towers, pylons and long distance fixed line cables)

- 8.1.11.1 Large scale use of energy and water on site
- 8.1.11.2 Sourcing and disposal of hazardous materials used in the production process or as auxiliary materials e.g., heavy metals
- 8.1.11.3 Labour issues, i.e., recruitment, inclusion and performance
- 8.1.11.4 NIMBYism (Not in my backyard) i.e., objection to the presence of towers and antennas in the neighbourhood
- 8.1.11.5 Terrestrial and aquatic habitat alteration
- 8.1.11.6 Avian collisions due to height and design of the communications towers
- 8.1.11.7 Visual impacts from tower and antenna equipment
- 8.1.11.8 Destruction of cultural and archaeological heritage

Operation and Maintenance

- 8.1.11.9 Generation of electronic waste
- 8.1.11.10 High power consumption
- 8.1.11.11 Occupational Health and Safety
- 8.1.11.12 Release of hazardous chemicals such as polychlorinated biphenyls (PCB) and ozone depleting substances (ODS) from transformer equipment
- 8.1.11.13 Noise from generator use
- 8.1.11.14 Poor working conditions especially in developing nations
- 8.1.11.15 Socio-cultural tensions as a result of influx of foreign workers/migrants/temporary workers and seasonal residents
- 8.1.11.16 Emissions, effluents and solid waste generation, handling and disposal

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Manufacturing Sector Fact Sheet



Manufacturing

Entails **Processing** of raw materials into finished products through all intermediate processes, employing the use of industrial machines. This sector includes production of food, textile, equipment, chemical products and machines. Manufacturing processes vary depending on the product type, design, volume of production and the available facilities and technology. Manufacturing activities typically involves 4 phases; **Raw Material Extraction**; **Processing**; **Transportation and Distribution** of finished products; and **End of Life Disposal**.

Key Sustainability Issues

Raw Material Extraction

- ✓ Large scale consumption, unsustainable use and pressure on natural resources e.g., water, fossil fuels and other minerals
- ✓ Land use leading to land degradation
- ✓ Involuntary resettlement (physical and economic displacement)
- ✓ Occupational Health and Safety
- ✓ Terrestrial and aquatic habitat fragmentation and degradation

Processing

- ✓ Emissions to air generated during processing and packaging e.g., greenhouse gas, dust and other air pollutants
- ✓ Effluents (e.g. contaminated wastewater) generation, handling and disposal
- ✓ Solid waste and sewage generation, handling and disposal
- ✓ Occupational and Public Health and Safety
- ✓ Exposure to hazardous chemicals
- ✓ Accidental pollution of ground water/ surface water and/or soil
- ✓ Child labour especially in the cocoa and textile industry
- ✓ Infringement of basic rights of employees on conditions such as wages, safety and overtime especially in developing nations

Transportation and Distribution

- ✓ Accidental spill of hazardous chemicals and substances during handling, storage and distribution
- ✓ Occupational and Public Health and Road Safety
- ✓ Noise from transport vehicles

End of Life Disposal

- ✓ Disposal of non-biodegradable end products
- ✓ Use of landfills to dispose waste that cannot be recycled e.g. electronic waste
- ✓ Re-use of hazardous packaging material

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Oil and Gas (Upstream) Sector Fact Sheet



Oil and Gas (Upstream): Upstream sector deals with the exploitation of the hydrocarbon (oil and gas) resources in geological formations i.e. locating and drilling of the oil wells and subsequently producing any oil and gas fluids from the reserve. Operations in this sector are typically divided into the following activities; **Exploration; Drilling; and Development and Production**

Key Sustainability Issues

Exploration: A detailed examination of a geographical region for rock formations indicating oil deposits or hydrocarbon bearing formations and other mineral of interest.

- ✓ Disturbance of vegetation cover through the use of intrusive survey tools e.g. seismic equipment
- ✓ Occupational and public health and safety
- ✓ Involuntary resettlement /physical and economical displacement
- ✓ Increased carbon foot print e.g. through vegetation clearing and tree felling
- ✓ Invasion of sites of special scientific interest and disturbance of endangered species.
- ✓ Landscape scarring and obstructive and visual intrusion
- ✓ Terrestrial and aquatic habitat depletion, fragmentation and degradation

Drilling (Exploration and appraisal) and Development: Once a promising hydrocarbon bearing region has been identified, boreholes are drilled to confirm the presence of the hydrocarbons as well as the thickness and internal pressure of the reservoir.

- ✓ Emissions (pollutants, greenhouse gases and dusts), effluents (contaminated water) and solid waste (drill muds and cuttings) handling and disposal
- ✓ Gas venting and flaring
- ✓ Potential migration of fluid from the well to the surrounding environment (e.g. pollution of potable ground and surface water)
- ✓ Accidental spills, blow out, combustion and explosions.
- ✓ Terrestrial and aquatic habitat depletion, fragmentation and degradation
- ✓ Occupational and public health and safety

Development and Production: Having established the size and commercial viability of an oil field, subsequent wells called 'production' or 'development' wells are drilled from which oil and gas is extracted using highly specialised technologies. It also involves the installation of production facilities to process the hydrocarbons for sale.

- ✓ Bribery and corruption particularly in developing countries with weak governance infrastructure
- ✓ Destruction or irreversible impacts on critical habitat
- ✓ Occupational and community health and safety
- ✓ Child labour, terrorism, sabotage and numerous dimensions of social conflict and unrest
- ✓ Involuntary resettlement (physical and economic displacement)
- ✓ Increased local population levels due to in migration of workers
- ✓ Release of flaring, venting and purging gases

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Oil and Gas (Downstream) Sector Fact Sheet

Oil and Gas (Downstream): This sector involves the refining of the crude oil and/or the natural gases produced from upstream activities as well as transportation and marketing of the end products. There are three key phases involved in the downstream sector: **Refining; Transporting; and Marketing and Distribution.**

Key Sustainability Issues

Refining: This is an industrial process that manufactures different petroleum and natural gas products through the following:
Gas refining: Conversion of natural gas to liquid products e.g., methanol and cryogenic liquefaction to liquefied natural gas (LNG)
Oil Refining: Conversion of crude oil to principal products e.g., petrol, diesel, jet fuels and other light petroleum products


- ✓ Terrestrial habitat fragmentation and degradation when constructing new processing facilities.
- ✓ Emissions (pollutants, greenhouse gases and dusts), effluents and solid waste generation, handling and disposal
- ✓ Handling, storage and disposal of oils and hazardous chemicals
- ✓ Aesthetic value as a result of unsightly facilities
- ✓ Contamination of ground and surface waters.
- ✓ Social conflict and unrest
- ✓ Strain on local infrastructure and public nuisance
- ✓ Noise pollution from processing facilities


Transportation: This pertains to the movement of crude oil or gas from the oil and gas fields to processing facilities e.g., refineries (where it is processed) and to storage areas, where refined products are held for further distribution. Transportation can be by truck, rail or ships and due to the unique nature of natural gas, extensive networks of pipelines are also used in transportation.

- ✓ Localized geotechnical risks
- ✓ Oil and spills leading to habitat degradation, contamination of ground water and death of vegetation and associated fauna
- ✓ Theft of products
- ✓ Accidental rupture of pipelines
- ✓ Natural risks and hazards from handling and bulk storage
- ✓ Bribery and corruption particularly in developing countries with weak governance infrastructure

Marketing and Distribution: This deals with the delivery of gas and other petroleum products to the end users through, gas stations, petrol stations and other retail outlets.

- ✓ Significant construction and engineering works in building petrol stations.
- ✓ Occupational and community health and safety
- ✓ Risks and hazards from handling and storage of chemicals, oil and gas products in retail outlets
- ✓ Atmospheric emissions (especially H₂S and volatile organic compounds)
- ✓ Spills and leakages during transport operations
- ✓ Handling, storage and disposal of oils and hazardous chemicals
- ✓ Ground water contamination

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Agricultural (Crop Production) Sector Fact Sheet		
The Agricultural sector (Crop Production) involves the growing and harvesting of crops, vegetables and fruits to be consumed or used as raw materials for Agro-allied industries to manufacture secondary goods and food items		
Activities	Key Sustainability Issues	
Land Preparation and Irrigation	<ul style="list-style-type: none"> ✓ Stress on the quality and availability of water resources ✓ Habitat fragmentation and degradation ✓ Noise, dust, vibrations and emissions from fuel combustions in the operation of mechanized equipment ✓ Land use conflict (e.g. food crop versus industrial crop) ✓ Voluntary resettlement (physical and economic) ✓ Destruction of cultural and archaeological heritage ✓ Occupational health and safety ✓ Socio-cultural tensions as a result of influx of foreign workers/migrants/temporary workers and seasonal residents 	
Crop Management and Use of: • fertilizers • micro and macro nutrients • seeds • insecticides and pesticides • and agricultural machinery	<ul style="list-style-type: none"> ✓ Greenhouse gas emissions e.g., nitrogen oxides, methane and ammonia from the use of fertilizers ✓ Contamination of soil, ground water and surface water by accidental spill of pesticide. ✓ Eutrophication of aquatic environment from run off and leaching of excess crop nutrients. ✓ Crop residues and solid waste handling and disposal. ✓ Adverse biodiversity impacts from poor management of modern and intensive cultivation method and through introduction of Genetically Modified Organisms (GMOs), pests and invasive species. ✓ Noise, dusts and vibrations. ✓ Bioaccumulation/contamination of food chain through the use of herbicides/chemicals. ✓ Occupational and public health and safety. ✓ Socio-cultural tensions as a result of influx of foreign workers/migrants/temporary workers and seasonal residents. ✓ Break down of social/ community cohesion. 	
Storage/post Harvest Handling	<ul style="list-style-type: none"> ✓ Emissions from disposal and destruction of crop residue (e.g., dioxins and furans) and from combustion of by-products ✓ Effluents and solid waste handling and discharge ✓ Occupational and public health and safety ✓ Strain on transport network and local infrastructure ✓ Conflict and theft of produce ✓ Risk of wastage 	

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Agricultural (Livestock Production) Sector Fact Sheet		
Livestock rearing involves rearing of domesticated animals in an agricultural setting as sources of food, fiber, and raw materials used by food industries to produce processed food items		
Activities	Key Sustainability Issues	
Capture Fisheries (commercial fishing)	<ul style="list-style-type: none"> ✓ Impact on quality and availability of natural resources e.g. water and natural fish stock depletion ✓ Loss of biodiversity ✓ Occupational Health and Safety ✓ Conflict over water resources ✓ Waste water from fish unloading ✓ Facility cleaning ✓ Piracy at sea 	
Culture Fisheries	Extensive aquaculture	<ul style="list-style-type: none"> ✓ Emissions, effluents and solid waste generation, handling and disposal ✓ Habitat fragmentation and degradation ✓ Wetland destruction and deforestation ✓ Threats to biodiversity as a result of conversion of the natural habitat during construction and introduction of alien and invasive species into the natural ecosystem during operation
	Intensive Aquaculture	<ul style="list-style-type: none"> ✓ Pollution and eutrophication of lakes and other recipient waters from fish pond effluent that contain high organic and nutrient load ✓ Bioaccumulation and contamination of food chain via the use of chemicals, hormones, steroids and vaccines ✓ Occupational Health and Safety
Livestock rearing and harvesting e.g. poultries and dairies	<ul style="list-style-type: none"> ✓ Exposure and spread of diseases to humans (e.g. mad cow disease) ✓ Noise, odour and vibrations ✓ Emissions, effluents and solid waste generation, handling and disposal ✓ Disposal of animal waste ✓ Occupational and Public Health and Safety ✓ Biological diseases and pestilence ✓ Socio-cultural tensions as a result of influx of foreign workers/migrants/temporary workers and seasonal residents ✓ Break down of social/ community cohesion 	

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APPENDIX 3 – SUSTAINABLE BANKING REPORTING TEMPLATE

NIGERIA SUSTAINABLE BANKING PRINCIPLES

DRAFT REPORTING FORMAT FOR RETURNS RENDITION BY BANKS

ONE-OFF REPORT FOR SUBMISSION TO THE CBN (FIRST REPORT)

Responsible Party: SB Coordinator

1.1	<u>Policy Formulation and Governance</u>												
1.1.1	Briefly describe how your bank will apply the *applicable sustainability principles to its business activities and business operations.												
1.1.2	Briefly describe how E&S risk management considerations have been integrated into your Enterprise Risk Management framework												
1.1.3	Please provide your bank's implementation targets and milestones including a five-year plan.	Provided	Not Provided										
1.1.4	Briefly describe how the principles and guidelines have been introduced to the Board of Directors												
1.1.5	Has a Sustainable Banking Unit/Office/Desk been established? What date was it established?	Yes	No	Remarks									
1.1.6	Please provide the revised organogram of the bank (which includes the Sustainable Banking Office/Unit/Desk)	Provided	Not Provided										
1.1.7	Status & Experience of the officer heading the SB Department	Status	Experience										
1.1.8	Please provide the job description for the Head of the Unit	Provided	Not Provided										
1.1.9	Details of staffing (manning levels) of the unit	<table border="1"> <thead> <tr> <th colspan="3">Composition</th> </tr> <tr> <th>Name</th> <th>Designation</th> <th>Department</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Composition			Name	Designation	Department			
Composition													
Name	Designation	Department											
1.2	<u>Capacity Building</u>												
1.2.1	List the capacity building activities on the Principles and Guidelines undertaken to date for your:												

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(a)	Board	
(b)	Senior Management	
(c)	Risk Management Unit	
(d)	Other Employees	
(e)	Customers	
(f)	Service providers	

ONE-OFF REPORT FOR SUBMISSION TO THE CBN (SECOND REPORT)

Responsible Party: SB Coordinator

2.1	<u>Sustainable Banking Policies/Processes</u>	
2.1.1	Please attach the E&S Management Policy for your bank's Business Activities	
2.1.2	Attach the #&S Footprint Policy for your bank's business Operations	
2.1.3	Describe the processes by which your bank will apply the sector guidelines to the bank's Business Activities in the following Sectors:	
(a)	Agriculture	
(b)	Power	
(c)	Oil and Gas	

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2.1.4	Date of Board meeting in which the Sustainable Banking policy was approved by your Board of Directors		
2.1.5	Please attach any relevant minutes or documentation	Attached	Not Attached
2.1.6	Provide the title and number of capacity building programmes conducted including dates and number of staff	Attached	Not Attached
2.1.7	Please attach the list of participants, their job roles and units	Attached	Not Attached
ONE-OFF REPORT FOR SUBMISSION TO THE CBN (THIRD REPORT)			
Responsible Party: SB Coordinator			
3.1	<u>Framework, Systems and Procedures</u>		
3.1.1	Attach a summarized copy of the E&S Management Procedures for your bank's Business Activities	Attached	Not Attached
3.1.2	Attach your E&S Footprint Management Procedures for your bank's Business Operations	Attached	Not Attached
3.1.3	Provide the title and number of capacity building programmes conducted including dates and number of staff	Attached	Not Attached
3.1.4	Please attach the list of participants, their job roles and units	Attached	Not Attached

CBN SEMI-ANNUAL REPORTING TEMPLATE

Principle 1: E&S Management system for Business Activities		Semi-Annual Returns 1
1.1	Total number of transactions approved during the reporting period	
1.2	Total value of the transactions	
1.3	Number of transaction screened/asses for E&S risks	
1.4	Value of transactions screened/assesses for E&S risk	
1.5	Percentage of portfolio screened/assessed for E&S risk	
1.6	Attach the list of transaction or client risk categorization (i.e. category A/B/C or High/medium/low risk)	
1.7	Attach the risk categorization by financial product type	

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1.8	Attach the risk categorization by industry	
1.9	Attach the risk categorization by location(state and/region)	
1.10	Number of clients or relationships exited for poor performance, non-compliance with agreed E&S Action plans, or breach of loan documentation covenants /conditions	
1.11	No of client engagements on E&S issues which resulted in positive outcomes for the client and bank	
1.12	Amount of lending to companies or projects that have a high climate risk exposure. These include, but are not limited to, the following industries: Transportation, Banking, Utilities, Healthcare Management service, Multi-line Insurance, non-renewable Energy	
1.13	Description of origination, underwriting or securitization of environmental products (e.g. securities based on renewable energy asset, projects, green bonds related to reforestation)	
1.14	Amount of lending: (1) for environmentally beneficial purposes (e.g. energy efficiency measures, renewable energy projects, etc.) or (2) for general purposes to environmentally focus companies (e.g. low-carbon technologies, renewable energy storage, etc.)	
1.15	Number of Corrective Action Plans developed for category A and B projects	
1.16	Percentage of category A projects supervised on annual basis	
1.17	Percentage of category A and B projects with regular reporting from borrowers	
2 Principle 2: E&S Footprint management for Business Operations		
		Semi-Annual Returns 1
(i)	Number of buildings/branches and facilities in use by the bank	
(ii)	Number of building/branches and facilities included in this report out of total facilities	
(iii)	Total floor space of building included in this report out of total floor space	
(iv)	Total number of employees	
		Semi-Annual Returns 1
2.1	Environmental Footprint	
2.1.1	Energy Consumption-from the national grid and generators	
2.1.1.1	Total amount of electricity purchased from the national grid in Gwh or Kwh	
2.1.1.2	Total amount used per employee in kilowatts hour	
2.1.1.3	Total litres of fuel used to run the Generator	
2.1.1.4	Total litres used per employee	
2.1.1.5	Number of branches/business offices powered by alternative sources of energy (e.g. solar energy)	
2.1.1.6	Number of ATMs powered by alternative sources of energy (e.g. solar energy)	
2.1.1.7	Percentage of Total number of ATMs	
2.1.1.8	Co2 footprint per employee from electricity use	
2.1.2	Paper Use-in kgs/tonnes	
2.1.2.1	Total paper consumption inn kilograms	
2.1.2.2	Use of recycled paper as a percentage of total paper consumption	
2.1.2.3	Total paper consumption per employee	
	Note: recycled paper refers to new paper products made from waste paper	
2.1.3	Water Use	
2.1.3.1	From the main water supply-Total consumption	
2.1.3.2	From the main water supply-use per employee	
2.1.3.3	From own sources[e.g. boreholes]-Total consumption	
2.1.3.4	From own sources[e.g. boreholes]-Use per employee	
2.1.3.5	Total value of water efficiency investments made and expected efficiency gains in cubic meters	
2.1.3.6	Water consumption per employee reduced by%	
2.1.4	Solid waste production-in kgs/ tonnes	
2.1.4.1	Total amount of solid waste generated	
2.1.4.2	Total amount of solid waste generated per employee	
2.1.4.3	Amount of solid waste disposed to recycling plants as a percentage of total generated	
2.1.5	Business travel [miles travelled, mode of transport, number of trips and number of employees traveling	

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2.1.5	Company Fleet	
2.1.5.1	No of vehicles in the company fleet[company fleet excludes cars those cars that are not maintained by the institution]	
2.1.5.2	Total mileage clocked by company fleet	
2.1.5.3	Total fuel consumption by company fleet	
2.1.5.4	Total number of employees using fleet cars	
2.1.5.5	Average fuel use per employee	
2.1.5.6	Use of gasoline by bank's fleet reduced by.....%	
2.1.5.2	Air travel	
2.1.5.2.1	Total number of business trips	
2.1.5.2.2	Total mileage and co2 footprint	
2.2	Social Footprint	
2.2.1	Attach the list showing the composition by gender, race, ethnicity or nationality	
2.2.2	Attach a list showing gender distribution of employee workforce in management positions	
2.2.3	rate of absenteeism/lost hours	
2.2.4	Number of employee participation in education and counseling programs conducted on health & safety such as HIV/AIDS	
2.2.5	Number of education/training/other career enhancement programs designed for employees especially women employees	
2.2.6	Number of employees that utilized grievance mechanism or procedure in place	
2.2.7	Number of physically challenged employees in the workforce	
2.2.8	Number of branches that are friendly to physically challenged customers	
2.2.9	Percentage of total number of friendly branches(to physically challenged customers) to total number of branches	
2.2.10	Number of children in crèches in the institution's facilities to cater for nursing-mother-employees	
2.2.11	Number of stress management programmes organized for employees	
2.2.12	Number of gymnasium and recreational facilities provided for staff	
2.2.13	Number of retired employees granted access to free health care	
2.3	Community support and Investment	
2.3.1	Total number of employees involved in voluntary communities activities	
2.3.2	Total time (hours) spent by employees in voluntary communities activities	
2.3.3	Donations per capital(based on total number of employees in the workforce)	
2.3.4	Gifts-in-kind	
2.3.5	Value of donations to orphanage	
2.3.6	Number of boreholes constructed	
2.3.7	value of sport sponsorships	
2.3.8	Value of hostel and lecture theatres provided	
2.3.9	value of schools/classroom blocks donated and renovation of schools	
2.3.10	value of transportation vehicles donated	
2.3.11	Value of hospital equipment provided	
2.3.12	Number of employee seconded to a community organization	
2.2.13	Value of furniture or equipment donated (in estimated market value)	
2.3.14	Others(please specify)	
2.4	Number of Community complaints revolved via grievance mechanisms	
2.5	Third Party E&S standard	
2.5.1	Number of suppliers, contractors and third party service providers screened	
2.5.2	Number of third party relationships exited due to poor E&S performance/standards or lack of E&S policies	
3 Principle 3 Human Rights		
		Semi-Annual Returns 1
3.1	Number of transactions assessed for human right risks such as child labour, discrimination on the basis of gender, ethnicity, religion, political persuasion etc.	
3.1(a)	Percentage of total transactions booked	
3.2	Number of retired employees granted access to free health care	
3.3	Number of transactions where (potential) human rights violations have been identified	
3.3(a)	Percentage of total transactions booked	
3.4	Number of transactions where, based on the human rights risk profile, mitigations requirements have been included in the loan documentation	
3.5	Number of transactions that were cancelled/terminated based on the human rights risk.	
3.5(a)	Percentage of total transactions booked	

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4 Principle 4: Women Economic Empowerment		
		Semi-Annual Returns 1
4.1	Total number of female employees	
4.1(a)	Percentage of total employees	
4.2	Attach a list of female employees by business unit	
4.3	Number of female employees in management positions	
4.4	Number of female on board of Directors	
4.5	Total expenditure on capacity building for female employees	
4.5(a)	Percentage of total expenditure on capacity building	
4.6	Number of women-inclusive policies	
4.7	Number of reviewed policies barring women from registering their spouses for health benefits and /or claims allowance for their husband and children	
4.8	Number of new female-oriented products and services developed and brought to market	
4.9	Number of loans made to women:	
	(a) Individuals	
	(b) Women-owned businesses	
4.1	Total Value of all lending made to women:	
	(a) Individuals	
	(b) women-owned businesses	
	(C) Percentage of total loan portfolio	
5 Principle 5: Financial Inclusion		
		Semi-Annual Returns 1
5.1	Number of new/innovative products or service offering designed for disadvantaged groups and amounts involved	
	(i) Deposits	
	(ii) Loans/advances	
5.2	Number of previously unbanked individuals who received financial services or products for the first time	
5.3	Attach a list of agent banks established by state	
5.4	Number of individual and SME accounts held with the bank	
	(i) Individual	
	(ii) SME	
5.5	Number of branches that can be easily accessed by physically challenged persons such as visually impaired and /or those on wheel chairs etc.	
5.6	Percentage of total domestic loans and other banking products focused on underserved and under-banked business segment (e.g. low-income neighborhoods, minority-owned businesses, small and medium enterprises), by category	
5.7	Description of initiatives to enhance customers' financial literacy, including efforts to attract unbanked, under-banked, or underserved customers. Include the number of participants in each initiative.	
6 Principle 6: E&S Governance		
		Semi-Annual Returns 1
6.1	Review of E&S Governance	
6.2	Number of internal audit reviews conducted to assess progress and monitor effectiveness of E&S governance structures	
6.3	External audit conducted to review the bank's compliance with sustainable banking (Answer yes or no)	
6.4	Description of legal and regulatory fines and settlements associated with failure to provide adequate, clear, and transparent information about products and services, including truthful advertising, transparency of small print, marketing to vulnerable groups (e.g. small investors), transparency of fees, mis-selling products, overcharging clients, and legal responsibility of firm, include naira amount of fines and settlements and a description of corrective actions implemented in response to events	
7 Principle 7: Capacity Building		
		Semi-Annual Returns 1
7.1	Training	
7.1.1	Sustainable banking training programs development and delivered including:	
7.1.1.1	Number	
7.1.1.2	Mode of Delivery (attach) e.g. classroom, webinar, on-line, on-the-job seminars, conferences	
7.1.13	Number of participant trained and in what functions/roles within the institution (Attach)	

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7.2	Number of other capacity building activities:	
7.2.1	General awareness raising	
7.2.2	Seminars	
7.2.3	Press releases & bulletins	
7.2.4	in-plant programmes	
7.2.5	study tours, knowledge sharing, community of practice	
8 Principle 8: Collaborative partnership		
		Semi-Annual Returns 1
8.1	Membership and/or leadership role in Nigeria sector-wide sustainable banking initiatives, programmes or working groups (Attach	
8.2	Membership and/or leadership in international sustainable Banking or other sustainability related initiatives, forums, or events [including the Equator principles][Attach]	
8.3	Number of development Finance Institution(s) collaborated with on sustainability issues(to be reported once a year-Q4 only)	
9 Principle 9: Reporting		
		Semi-Annual Returns 1
9.1	Sustainable Banking inclusions in Annual Report or publication of standalone sustainability Report (Answer Yes or No)	
9.2	Annual report presented and approved by the Board	
9.3	Annual report submitted to CBN (Yes or No)	
	SECTORAL REPORT	
1 AGRICULTURE		
		Semi-Annual Returns 1
1.1	Number of agriculture-related transactions booked:	
1.1.1	Total	
1.1.2	By Agricultural value chain category and name (Attach)	
1.1.3	By type of commodity (Attach)	
1.2	Value of agriculture-related transaction booked	
1.2.2	Total	
1.2.3	By type of commodity (Attach)	
1.3	Number of transactions by E&S Categorization (A,B or C)	
1.3.1	By state(attach)	
2 POWER		
		Semi-Annual Returns 1
2.1	Number of power-related transactions booked	
2.1.1	Total	
2.1.2	By category:	
2.1.3	Power generation sources and associated facilities	
2.1.4	Electricity transmission	
2.1.5	Electricity distribution	
2.2	value of Power-related transactions booked	
2.2.1	Total	
2.2.2	By category:	
2.2.3	power generation sources and associated facilities	
2.2.4	Electricity transmissions	
2.2.5	Electricity distributions	
2.3	Number of power-related transactions screened/assessed for E&S risks	
2.4	Number of transactions by E&S Categorization (A,B or C)	
2.5	Amount of lending to:	
2.5.1	Energy efficiency projects	
2.5.2	Clean Technology	
2.5.3	Renewable energy (please specify: solar, clean coal, wind, biomass etc.)	
3 OIL AND GAS		

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			Semi-Annual Returns 1
3.1	Number of oil & gas-related transactions booked:		
3.1.1	Total		
3.1.2	By category:		
3.1.2.1	Upstream		
3.1.2.2	Midstream		
3.1.2.3	Downstream		
3.1.2.4	Servicing (i.e. provision of technical support services for the upstream, midstream and downstream segments in the area of drilling, well completion, well stimulation logistics, equipment supplies, etc.)		
3.2	Value of oil and Gas-related transactions booked :		
3.2.1	Total		
3.2.2	By category:		
3.2.2.1	upstream		
3.2.2.2	Midstream		
3.2.2.3	Downstream		
3.2.2.4	Servicing		
3.3	Number of oil & gas-related transactions screened/assessed for E&S		
3.4	Number of transactions by E&S categorization (A,B or C)		

*Applicable sustainability principles (NSBP, EP, IFC Performance Standards,)

