

CONFIDENTIAL

**Policy Name:** Corporate Responsibility & Sustainability (CR&S)

**Type:** Internal

**Owner:** Communications & Knowledge Engagement

**Approved by:** Head, People & Knowledge Engagement

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**Approved by:** Executive Leadership Committee (ELCO)

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**Approved by:** Board Risk Management Committee (BRMC)

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**Approved by:** Board of Directors (the Board)

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## 1 Policy Statement

- 1.1 This document sets out FBNQuest Merchant Bank Limited's ("FBNQuest Merchant Bank" or "the Bank") policy on Corporate Responsibility & Sustainability ("the Policy" or "this Policy"). The CR&S Policy sets out FBNQuest Merchant Bank's commitment and approach to building, developing and integrating a sustainability culture that permeates the entire organisation and impacts positively on its operations and all activities.
- 1.2 Our aim is to align our sustainability strategy with our business strategy and thus, the Board of Directors commits to demonstrating adequate support to this policy in alignment with international standards of social responsibility.
- 1.3 The said international standards include: Applicable local laws and National legislation, ISO 26000 Guidance Standard on Social Responsibility, Nigerian Sustainable Banking Principles (NSBP), and IFC Performance & World Bank EHS Standards etc.
- 1.4 Our Policy is hinged on achieving our Sustainability Vision and Mission Statements with clear-cut targets and organizational objectives in the select focus areas.
- 1.5 This policy forms part of the intellectual property of FBNQuest Merchant Bank Limited. The document is for internal use only, and the contents must not be given or communicated to any third party without the prior formal written consent of the Policy Owner or Management of FBNQuest Merchant Bank.

## 2 Introduction

- 2.1 Sustainability is a culture which should be embedded in our personal and business activities, while we maximize competitiveness and ROI, we must always put into consideration the **Social, Economic and Environmental** impacts of our activities as these constitute the triple bottom-line upon which our longevity and profitability will stand.
- 2.2 The policy addresses the need to define and align the sustainability objectives of the business with the business strategy with the aim of driving visibility, profitability, competitiveness and social ROI.

- 2.3 All guidelines and principles outlined in this policy apply to all CR&S procedures, activities and initiatives executed by FBNQuest Merchant Bank.

### 3 Applicability

- 3.1 This Policy applies to all employees and Directors of FBNQuest Merchant Bank, including independent consultants, interns, contractors, admin officers and any person authorised to act in that regard by Management. All employees are responsible for their own compliance with this policy and for ensuring that it is consistently applied to protect the privacy, confidentiality and interests of the organisation.
- 3.2 Non-compliance with this policy will constitute a breach in the contract of employment or other contractual obligations or some other infringement of the law. An employee who violates this policy will face disciplinary action.
- 3.3 This policy is to be read in conjunction with Compliance, Risk Management, Crisis Communication and Media Response, and related policy documents of the Bank.
- 3.4 Consequently, the provisions of this policy will be applicable to all partnerships and corporate responsibility initiatives engaged in by FBNQuest Merchant Bank.

### 4 Policy Requirements

- 4.1 **Compliance**: Compliance is mandatory for all departments however, key stakeholder departments include: Risk Management, Compliance, Legal, Communications & Knowledge Engagement, General Services, People Management, Coverage and Corporate Banking, Investment Banking and Internal Audit respectively
- 4.2 **Governance**: The Board Risk Management Committee (BRMC) and the Management Sustainability Committee will oversee governance and the CR&S department will supervise activities. CR&S shall be aligned with all relevant internal policies in force, subject to governance procedures (as approved by Board) for smooth implementation

- 4.3 **Focus Areas**: This policy is hinged on achieving our CR&S Vision and Mission Statements with clear-cut targets and organizational objectives in the following areas: Education & Skills Development, Sustainable Finance/Investment and Environmental Sustainability.
- 4.4 **Training**: All relevant teams will undergo training on the thrust of the policy and operational framework. Follow up capacity building initiatives shall be conducted physically or through e-Learning platforms as listed in the framework for implementation.
- 4.5 **Communication**: This policy shall be communicated to internal stakeholders which include; The Board Risk Management Committee (BRMC), stakeholder departments (Risk Management, Compliance, Internal Audit, Legal, People Management, Coverage and Corporate Banking/Investment Banking and General Services), members of staff and external stakeholders such as regulator(s) where applicable. Communication objectives will span regulatory compliance and employee engagement.
- 4.6 **Reporting**: FBNQuest Merchant Bank will publish annual reports on CR&S initiatives for a wide range of stakeholders. Reporting processes shall be conducted as stipulated in the operational framework supporting this policy. The Chief Executive Officer will sign off each report.
- 4.7 **Continuous Improvement**: The CR&S operational framework will be in force for three (3) years each time subject to periodic reviews in line with industry trends, regulatory requirements where applicable, organisational structure and change in nomenclature. After each review, the same procedures will be followed for communicating to stakeholders.

## 5 Roles and Responsibilities

- 5.1 As the highest hierarchal level of governance for CR&S in the organisation, the Board Risk Management committee shall carry out oversight functions on the CR&S department to ensure smooth implementation of the policy.
- 5.2 Management Sustainability Committee will supervise and support the smooth integration and implementation of CR&S across the organisation as well as external activities. Reports shall be presented to The Board Risk Management committee and the Management

Sustainability committee every quarter or half year on CR&S activities and implementation across the business.

- 5.3 Lead, Corporate Responsibility & Sustainability will serve as Policy Lead and central point of contact for all interfaces on the subject of Sustainability, measure and monitor progress against sustainability strategies, objectives and performance targets. This includes being the lead interface relative to inquiries, requests for information on corporate efforts, any and all written communication on the subject of sustainability.
- 5.4 Head, People & Knowledge Engagement will serve as the Policy owner and also, Lead and manage the effort to create a sustainability vision through the development of the business case; drive, secure and leverage the commitment and support of the Executive Leadership Committee (ELCO) for integration into operations.

## **6 Related Policies and Standards in FBNQuest Merchant Bank**

- 6.1 Corporate Responsibility and Sustainability (CR&S) Policy Framework
- 6.2 Compliance Policy
- 6.3 Risk Management Policy
- 6.4 Internal Communications Policy.
- 6.5 Sustainable Banking Policy
- 6.6 Women Economic Empowerment Policy

## **7 Disciplinary Action**

- 7.1 CR&S milestones will be aligned and integrated where possible to the Key Performance Indicators (KPIs) of relevant teams for ease of implementation, monitoring and evaluation, this will be achieved in partnership with the People Management Department and/or the Human Capital Committee

- 7.2 Where necessary, disciplinary action shall be at the discretion of the People Management Department and respective Heads of Department according to relevant policies and procedures.

## **8 Definitions**

- 8.1 Corporate Responsibility & Sustainability is our approach to long-term competitiveness as an ethical organization committed to conducting business in an innovative and sustainable manner, delivering value to all stakeholders.
- 8.2 Stakeholders refer to individuals or organisations who have vested interest in the operations and activities of FBNQuest Merchant Bank at any point in time.
- 8.3 IFC Performance Standards (IFC PS) are an international benchmark for identifying and managing Environmental & Social risk by the International Finance Corporation, private sector arm of the World Bank Group, which stipulate the responsibilities for managing their environmental and social risks arising from projects financed by their clients. IFC PS are part of the Sustainability Framework, have become globally recognized as a benchmark for environmental and social risk management.
- 8.4 ISO 26000 Guidance on Social Responsibility is an International Standard (by the International Organisation for Standardisation (ISO) elaborated to guide organisations on Social Responsibility. It is a consensus guidance document that provides support or a reference for all kinds of organisations in both private and public sectors both in developed and developing countries, as well as those who may be referred to as 'being in transition'. Instead of a law or index, this document provides a guide to complement the diverse efforts of organisations all over the world in attaining social responsibility. It provides guidance on how businesses and organizations can operate in a socially responsible way. This means acting in an ethical and transparent way that contributes to the health and welfare of society.
- 8.5 The World Bank Group Environmental, Health and Safety Guidelines (WBG EHS 2008) are technical reference documents with general and industry-specific examples of Good International Industry Practice (GIIP). The WB EHS Guidelines provide guidance to users on

common EHS issues potentially applicable to all industry sectors. For complex projects, use of multiple industry-sector guidelines may be necessary.

- 8.6 The Nigerian Sustainable Banking Principles (NSBP) are a set of nine (9) covenants ascribed to by Nigeria's financial institutions especially banks to ensure significant sector contributions to sustainable development. This development is the outcome of many efforts by the sector regulator, key players, thought leaders and international partners and other stakeholders.