



Stanbic IBTC  
SUSTAINABILITY REPORT 2017

# CREATING SHARED VALUE

The title 'CREATING SHARED VALUE' is rendered in large, bold, multi-colored letters (yellow, blue, and teal). Each letter is partially filled with a photograph. The 'C' shows a young boy and girl looking at a book. The 'S' shows a woman in a blue and white shirt. The 'H' shows a woman in a blue and white shirt. The 'A' shows a woman in a blue and white shirt. The 'R' shows a woman in a blue and white shirt. The 'E' shows a woman in a blue and white shirt. The 'V' shows a woman in a blue and white shirt. The 'A' shows a woman in a blue and white shirt. The 'L' shows a woman in a blue and white shirt. The 'I' shows a woman in a blue and white shirt. The 'M' shows a woman in a blue and white shirt. The 'E' shows a woman in a blue and white shirt.

Stanbic IBTC Holdings PLC  
**Sustainability  
 Report 2017**



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**Scholarship presentation to the 2017 beneficiaries of the Stanbic IBTC Together4ALimb CSI initiative**

# Introduction

## from the chief executive

In 2017, the Nigerian financial services industry took further steps towards digitization. Data provided by the Central Bank of Nigeria showed a significant uptake in electronic banking. Competition for e-banking market share from Financial Technology (FinTech) companies rose with provision of e-solutions with new players entering the market. However, banks continue to adopt newer and better solutions to simplify their operations and remain nimble.

It was a significant year for Stanbic IBTC Group. Following the resolution of the long-drawn issue with the Financial Reporting Council of Nigeria late in 2016, we were able to release our outstanding financial reports as well as hold our 4th (2015) and 5th (2016) Annual General Meetings (AGMs). There was also a change at the board and management levels. The Founder and Chairman, Atedo Peterside, CON, resigned. He retains his membership of the Board of the Standard Bank of South Africa and The Chief Executive of the holding company, Mrs Sola David-Borha, was elevated to a bigger role as Chief Executive (Africa Regions) at the Standard Bank Group.

We continued to be at the forefront of innovation and experienced some positive transformational changes and developed further competencies in other segments of the financial services industry, like in retail and personal banking, outside our well-honed competencies in investment banking and wealth management. We were equally able to provide significant support to government's fund raising efforts to finance the 2017 national budget.

We were instrumental to government's successful Eurobond Programmes, Diaspora Bond issue, and FGN Savings Bond programme and their listing on both The Nigerian Stock Exchange and the FMDQ OTC Securities Exchange thereby facilitating their secondary market trading.

We realised that our success as a business is dependent on the success of the individuals and businesses we serve and on the economy where we operate from. Therefore, we are mindful to develop relevant solutions that not only ensure our success but guarantee the success of government, businesses and individuals.

We pride ourselves in our rich pedigree in financial innovation, drawn from our Standard Bank heritage, which has enabled us provide solutions that have enhanced the quality of life of individuals and boost their financial security; facilitate business expansion, economic growth and development in key sectors like oil and gas, manufacturing, agriculture, power, healthcare, and real estate, among others. Our business strategy is to offer banking services to assist our internal and external stakeholders manage social and environmental challenges and invest for the future. We work hard to build trust in our operations and establish partnerships that will be beneficial in the long term.

This Sustainability Report details our corporate social investments, environmental and social risk management and performance as well as our shared values in 2017. Our priority, going forward, will be to ensure financial, social and environmental sustainability in our operations. We not only want to achieve financial outcomes, but we also want to fulfil our purpose of driving the growth of our economy.

**“our success as a business is dependent on the success of the individuals and businesses we serve”**



**Yinka Sanni**  
Chief Executive

# Our Awards

The stockbroking arm of the Group, Stanbic IBTC Stockbrokers Limited, received The Nigerian Stock Exchange CEO award as the best dealing member firm in 2017, the sixth consecutive time it would win the award.



**African Child Prize Award**  
for integrity in Corporate Business



**Human Development Initiatives Award**  
for support towards tertiary education of orphans and children of widows and widowers



**2017 CIPM**  
Best HR Practice Award



**Business Day Award**  
for Best Managed Market Fund



**Global Finance**  
Best Sub Custodian in Nigeria 2017



**Global Finance**  
Best Foreign Exchange Provider in Nigeria



**2017 Sprite Award**  
Best Fixed Income Research, Africa



**Business Day Award**  
for Most Innovative Pension Fund Administrator



**HR Best Practice Award**  
for the Financial Industry in Nigeria



**Business Day**  
Best Stockbroking and Investment bank of the year



**The Asian Bankers Award**  
for Best Branch Innovation for our Digital Branch



**2017 Financial Mail Top Analyst Award**  
Best Equities Research, Sub Saharan Africa



**Redbridge Health Care**  
Exceptional Investment in Employee Medical and Welfare



**Best HR Optimization Award**  
for Employee Engagement and Internal Communication



**Best FMDQ**  
Registration Member



**Business Day Award**  
for Best Managed Fixed Income Fund



**Nigerian Customer Service Award**  
for Excellent Service delivery in PFA Category



**The Asian Bankers Award**  
for Best SME Bank in Nigeria



**Chartered Institute of Personnel Management Award**  
for HR Best Practice



**HR People Magazine Award**  
for Outstanding Employee Engagement Strategy and also for Outstanding Talent Management Strategy



# Stanbic IBTC

## corporate profile

Stanbic IBTC Holdings PLC (“Stanbic IBTC”) is a full service financial institution which offers a wide range of products to a variety of segments. Stanbic IBTC provides end-to-end financial solutions which include corporate and investment banking, personal and business banking, stockbroking, insurance brokerage, trusteeship, custodial services and wealth management.

Standard Bank Group, to which Stanbic IBTC belongs, is the largest African bank by assets with a unique footprint across 20 African countries, including South Africa, and 12 countries outside Africa, including key financial centres in Europe, United States and Asia.

Standard Bank has been in operation for over 154 years and prides itself on being a global bank with African roots. Stanbic IBTC aims to position itself as the leading end-to-end financial services solutions provider in Nigeria, through innovative and customer-focused people. The group offers expert services in three business areas - Corporate and Investment banking; Personal and Business banking and Wealth management. We do everything in our power to ensure that we provide our clients with the products, services and solutions to suit their needs, based on sound business principles. We uphold high standards of corporate governance and are committed to advancing sustainable banking practices. Our success and growth over the long term is built on making a difference in the communities in which we operate.

### Stanbic IBTC Holdings has nine subsidiaries:

- Stanbic IBTC Bank (including Stanbic IBTC Bureau de Change Ltd and Stanbic IBTC Nominees Limited)
- Stanbic IBTC Pension Managers Limited
- Stanbic IBTC Asset Management Limited
- Stanbic IBTC Stockbrokers Limited
- Stanbic IBTC Trustees Limited
- Stanbic IBTC Ventures Limited
- Stanbic IBTC Capital Limited
- Stanbic IBTC Investments Limited
- Stanbic IBTC Insurance brokers

# Our approach to sustainability

Our approach to sustainability begins with our objective to operate an ethical, professional, accountable and profitable business. This is embedded in our three-pronged sustainability framework document. We designed the SEE (Social, Economic and Environmental) framework to ensure we support the wellbeing of communities by delivering value through the products and services that we provide. We have a commitment to contribute to sustainable development. This commitment is evidenced in our core values of integrity, professionalism, and respect for both internal and external stakeholders as outlined in the SEE framework.

## Stanbic IBTC implements the Nigeria Sustainable Banking Principles in our business activities through the following pillars:



**Credit**  
We integrate Environmental and Social Considerations into Credit Decision Making process by ensuring the onboarding of new business opportunities are E&S compliant and follow approved credit process, policy and guidelines for Corporate and Investment Banking (CIB) and Business Banking (BB).



**GRES**  
Monitor our ecological footprints with respect to the impact of our business operations, in terms of power maximization, waste management, carbon emissions, energy and water efficiency and building designs and architecture that are green.



**Procurement**  
Assess, develop and screen suppliers with a view to ensuring the sustainability of our vendors and their ability to meet our procurement needs and also assist them in mitigating social and environmental costs.

**“We have a commitment to contribute to sustainable development.”**

# Corporate governance



## Creating thriving partnerships

Stanbic IBTC has a strong governance structure, with distinct roles and responsibilities between the board and management. These roles are governed by clearly defined policies and controls. Our work is governed by internal and external regulations as well as international best practices. Corporate governance is a key part of our entire operation in evaluating, approving, and monitoring of projects.

Our major CSI objectives remain:

- supporting strategic and credible projects, in line with business objectives;
- deploying scalable solutions that are beneficial to a higher number of people;
- working with credible partners;
- leveraging existing business opportunities.

The Chief Executive of the Group has the overall responsibility for sustainability accountability, supported by an executive committee. However, care is taken to ensure decisions are cascaded from the top management level to the individual employee.

## Corporate Social Investment

Our priority is to ensure financial, social and environmental sustainability. Through our social investments, we hope to boost the Stanbic IBTC brand reputation, increase our market share and improve employee relations in a way to enhance our long term competitiveness.

## Business and Societal Needs

For maximum impact, we identified, using a research-based approach and by engaging with our stakeholders, including communities, governments and individuals, the critical needs of our business environment. These needs fall under education, health and economic empowerment and form the tripod upon which our Corporate Social Investment activities rest. The convergence of social investment goals and business helps engender long term benefits and sustainability.

# Sustainable lending

In providing credit facilities to conglomerates, multinationals, small and medium scale enterprises, we continue to review the environmental and social (E&S) risk considerations embedded in our credit approval process. This entails the screening of credit transactions for E&S risks, as well as monitoring their activities to ensure our clients carry out their operations in line with acceptable environmental and social standards.

From January 2017, we have assessed about 330 Business Banking credit transactions for E&S risks. In our Corporate and Investment Banking business, 36 approved credit transactions were assessed for E&S risks. We also take pride in providing credit facilities to Business Banking clients for environmentally beneficial purposes.

From January 2017

**330**  
Business Banking credit transactions for E&S risks

**36**  
approved credit transactions were assessed for E&S risks

Approved credit facilities as of December 2017

**\$3m**  
for environmentally beneficial purposes

**₦73.09b**  
approved credit transactions were assessed for E&S risks

As of December 2017, credit facilities approved for Environmentally beneficial purposes was \$3million (This includes lending to companies into Waste Plastic Recycling, Renewable Energy Production and Solar Energy Management) while facilities disbursed for Sustainability Related Sectors was N73.09billion in line with our support for the SDGs. Beneficiaries of our sustainable lending include Dangote Refinery, Indorama Eleme Petrochemical, Kellogs Tolerams, Lekki Concession Company, and Presco, among others.

### Environmental and Social Risk Management (E&S)

Stanbic IBTC acknowledges that the development of a corporate culture whereby environmental sustainability principles are adhered to both in its operating environment and with counterparties is crucial to sustainable development.

Our impacts on society and the environment can be both indirect, arising from the activities of our customers whom we finance, and direct through our day-to-day operational activities and the products and services we provide.

These are either internal, affecting employees or the organization, or external, affecting communities, customers, partners, and regulators, among others. Thus, we go beyond compliance in our approach to environmental and social risk management. This approach has helped us achieve best practice performance through sound governance structures and policies, monitoring mechanisms, strategic partnership, energy efficient and renewable energy programmes, supplier development and screening, employee training and awareness, products and services that help reduce carbon emission, green building design.



The launch of the Kellogg- Tolleram factory (financed by Stanbic IBTC) at the Lekki Free Trade Zone, Lagos

In line with regulatory stipulation, Stanbic IBTC complies with the Nigeria Sustainable Banking Principles (NSBP), and through the Standard Bank Group is a signatory to the Equator Principles, thereby adopting international best practice in Environmental and Sustainability standards. We adopt a precautionary approach to environmental management, striving to anticipate and prevent environmental degradation in line with the guidelines set out in the Equator Principles and the provisions of the environmental laws of Nigeria.

### Awareness Creation

Our awareness creation drive increased across our stakeholder groups, in the implementation of NSBP. Following the NSBP adoption, a total of 120 employees received introductory environmental and social risk training in 2015 and several others in 2016. This number rose across our business units in 2017 to 11% of our workforce.

### Benefits of Environmental & Social Risk Management

Appropriately and efficiently managed environmental and social risks and opportunities will enhance our:

- Overall risk management which in turn reduces costs and liabilities;
- Ability to access capital and attract foreign investors and partners;
- Financial and non-financial performance;
- Brand and reputation at the individual organization level as well as sector level;
- Operational efficiencies;
- Ability to attract and retain talents;
- Relationships with our clients by becoming a trusted advisor
- Growth prospects by reaching new markets and innovating new products and services.

# Empowering our people

We expect an increasingly productive and highly motivated workforce, one that constantly exceeds the expectations of customers. We are continuously engaging our employees to ensure their growth through leadership trainings and skills acquisition, a diversified and conducive work environment, and well structured compensation policy. Higher levels of employee engagement are linked to lower levels of absenteeism and employee turnover. In 2017, employees formed an important part of our CSI, helping to create awareness and actively participating in chosen initiatives, individually and as a team.

Our organisation is very sensitive to gender parity and inclusion. As a result, we have initiatives targeted at the wellbeing and advancement of women in business and in paid employment.

- The Stanbic IBTC Blue Women Network is a platform for female employees of Stanbic IBTC across all cadres, which provides opportunities for networking, development and growth. By default, all women who join our organisation become crucial members of the network.
- We also ensure that staff policies targeted at our female employees address their needs.



The Launch of the Blue Women Network Magazine at the Stanbic IBTC 2017 Annual International Womens Day event for female employees

“We pride ourselves in our rich pedigree in financial innovation, drawn from our Standard Bank heritage, which has enabled us provide solutions that have enhanced the quality of life of individuals”



At the Annual Walk to raise awareness for the Together4ALimb CSI initiative



Donation of Insecticide treated mosquito nets to disadvantaged communities in commemoration of the World Malaria Day 2017

# Engaging in education

Education, through knowledge and skills acquisition, is an essential ingredient for a productive workforce. As a result, we continuously engage our employees to ensure their growth through leadership trainings and skills acquisition, to complement a diversified and conducive work environment and well structured compensation policy. The Stanbic IBTC Blue Academy, where we retool young and vibrant graduates with financial services skills and knowledge, to prepare them for future management roles, was accredited by the banking industry umbrella body, the Chartered Institute of Bankers of Nigeria, and certification issued to ensure standardization of training.

We continue to invest in the educational advancements of our communities through our CSI Initiatives such as the Mentor-a-Class project, where staff members take a day off to engage school children in our adopted school, Lagos Progressive School, Surulere, on financial literacy, leadership and analytical skills, among others.

Under our staff volunteerism initiative, a block of six classrooms was donated to the National Orthopaedic Special School, Igbobi, Lagos. The children we fitted with artificial limbs were also awarded Stanbic IBTC Educational Trusts to give them a better chance at success in life access of physically challenged persons into our office locations. We will continue to explore ways to alleviate the difficulties encountered by the physically challenged for a more inclusive banking experience for all our customers.

**“We will continue to explore ways to alleviate the difficulties encountered by the physically challenged for a more inclusive banking experience for all our customers”**

# Health at our heart

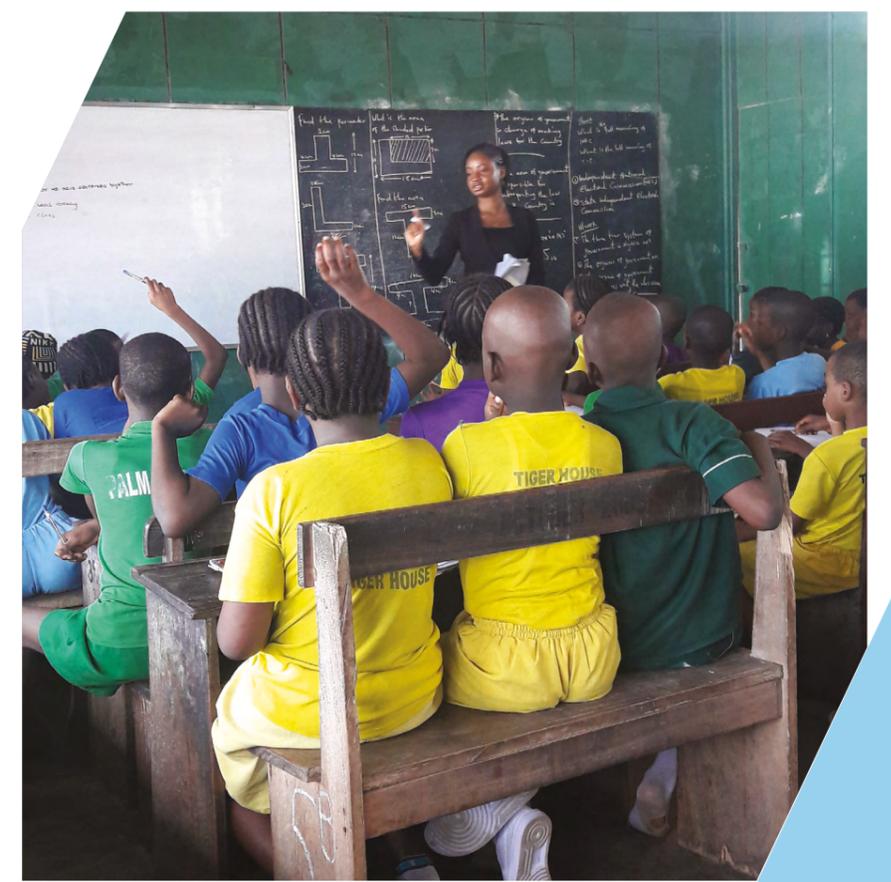
Our employees remain at the heart of our business and we believe that their wellbeing is important to enable us deliver on our promises to our clients and stakeholders as an organization. Therefore, we take matters concerning their wellbeing to heart and have invested in a number of wellness programmes to encourage healthy lifestyles for them.

To also encourage physical exercise, we have instituted a no-lift-day once a week in some of our major campuses, when staff are encouraged to opt for the staircases rather than use the lift.

For our external stakeholders, one of the key pillars of our CSI initiative is in the health sector. We partnered with an NGO Slum2School to create awareness on the scourge of malaria as well as distribute insecticide treated nets to indigent school children in under served and malaria prone communities. Through our signature CSI initiative, Together4 A Limb, we provide prostheses for children with limb losses.

Being an ardent supporter of persons living with prostheses, our organisation has constructed wheelchair access ramps in 33 branches and our major head office campuses across the group to facilitate access of physically challenged persons into our office locations. We will continue to explore ways to alleviate the difficulties encountered by the physically challenged for a more inclusive banking experience for all our customers.

- The wellness initiatives include:
- Weekly on-site aerobics in our four head office campuses across the Group;
  - Physical activities encouraged in all our offices, including our branches nationwide.
  - These are group walks and daily exercise-at-the-desk routine for all employees.



Stanbic IBTC employee volunteering for the Mentor-A-Class Project

# Economic Empowerment

At Stanbic IBTC, we apply sustainable principles that drive the growth and development of the industries we finance and communities in which we operate. It gives us satisfaction to deliver value to the communities we serve by contributing to their social, economic and environmental (SEE) wellbeing through the services we provide. Our aim is to improve life for Nigerians.

We made donations to orphanages and widows. We have initiatives targeted at the wellbeing and advancement of women in business and paid employment in a way to ensure gender parity and inclusion. As of December 2017, we had successfully empowered businesses owned by women through lending amounting to about 15.8% of the total loan portfolio of Stanbic IBTC Bank.

**“we had successfully empowered businesses owned by women through lending amounting to about 15.8% of the total loan portfolio of Stanbic IBTC Bank”**



**A cross section of participants at the Stanbic IBTC Annual SME Capacity Building Exercise**



**Employee departmental CSI initiatives**

## Employee volunteerism

At Stanbic IBTC our vision recognizes that our people are our most important asset, which makes it imperative to inspire and engage employees in ongoing CSI efforts to make a meaningful impact. We see our employees as our partners in all our sustainability initiatives. By doing this, we succeed in getting their active involvement and also benefit from the fact that employees gain a lot of valuable skills and experiences which makes them a better asset to our organization.

The sustainability of an idea needs staff at every level to be aligned to our slogan - “Moving forward”. We believe our people and culture will determine our success in executing our strategy, which includes our CSI. Our business philosophy is anchored on and vested in building relationships and trust with our clients/customers, employees, shareholders, regulators, communities and other key stakeholders. Our values underpin our legitimacy and are intended to reinforce the trust our stakeholders have reposed in our organisation. As such, we endeavour to carry along and get the buy in of all our internal and external stakeholders.

We have a culture of staff involvement and participation in our social investment initiatives which means that our staff are not only part of the activation but the entire process of identifying key areas where we choose to support, collaborate or invest. We try as much as possible to encourage our staff to either as teams or units voluntarily contribute and participate through departmental CSI activities. This initiative has been hugely successful over the past year. Through staff CSI volunteerism or contribution alone, we invested over a N100 million towards various charitable causes under the health, education and economic empowerment portfolios in 2017. Under our staff volunteerism initiative, a block of six modern classrooms was built and donated to the National Orthopaedic Special School, Igbobi, Lagos.

# Sustainability practices

Stanbic IBTC is a member of the Nigerian Conservation Fund which supports sustainability related causes. Our membership further attests to our commitment to maintain a robust operation focused on environmental education, biodiversity conservation, policy advocacy, public sensitization on environmental issues, mitigating environmental pollution and poverty reduction.

## Our key sustainability practices:

### Energy efficiency in operations

Replenishing our sources of energy remains an important aspect for the growth of our economy. As a result of this, we have embarked on energy efficiency initiatives across Stanbic IBTC Group. These include:

- Operation Switch Off and UnPlug (SOUP) initiative which encourages staff members to switch off and unplug electronic devices at close of business.
- Switch-off initiative which aims to save energy consumed by elevators and central air conditioners in our head office campuses. We also turn-off power at 6pm in our branches. This initiative also encourages work-life balance among our employees, who remain the drivers of our business.
- Installation of energy saving LED bulbs across our bank branches and head office campuses for reduced energy consumption.
- Installation of motion sensors in buildings for the control of power.

Use of alternative sources of power for ATMs and branches– Our Festac and Katin Kwari branches are partly powered by solar energy; while ten (10) offsite ATMs are also powered by alternative sources.

### Paper reduction and recycling

Across the group, we strive to bring unnecessary printing to a minimum and reduce paper usage in our business operations. As at August 2017, we had successfully reduced our year-to-date paper usage (for printing and photocopy) across the bank by about 30 percent compared to the same period in 2016. Measures taken include:

- Installation of Follow Me Printing on Printers
- Setting printers to double sided printing by default
- Recycling of paper for printing
- The use of shared folders to document storage as against printing
- Eliminate the use of paper in 12 branch processes

We are also supportive of paper recycling and have recently worked with partners to recycle over nine (9) tons of archived paper in exchange for tissue papers that will be used in our offices.

These initiatives serve as one of the ways we contribute to the reduction in tree-felling for paper production. A more balanced ecosystem is achievable if such practice is encouraged by organisations.

### Green Branches

In addition to our printing reduction and paper recycling initiatives, we are also piloting 'Green Branches' within our organisation where additional sustainability initiatives and processes will be driven. Our aim is to run operations in these branches that ensure minimal paper use, increased energy and water efficiency.

### Tree planting in Zaria branch

In line with efforts targeted at preventing desert encroachment, especially in the northern part of Nigeria, a substantial part of our Zaria Branch is being landscaped to provide greenery and shade for our staff and customers who use the location.

### Waste segregation

To address issues of environmental degradation resulting from indiscriminate and inappropriate disposal of waste, the group continues to invest in solid waste segregation and recycling initiatives involving the sensitization of staff and customers on the need to separate solid waste for further recycling. The deployment of waste bins designed for segregation of solid waste are ongoing in our head office campuses.

### Water utilization

We have implemented eco-friendly water utilization measures to reduce wastage by:

- Installing toilet systems with dual flush knobs
- Installing of taps with motion sensors in restrooms and kitchens.

As a responsible corporate citizen, we will continue to carry out our business operations in ways that minimise any negative social, economic and environmental impact. We will continue to review our operational processes and engage our key stakeholders to achieve as much involvement in our sustainability initiatives as possible, for the benefit of the communities we operate in.

# Our Sponsorships

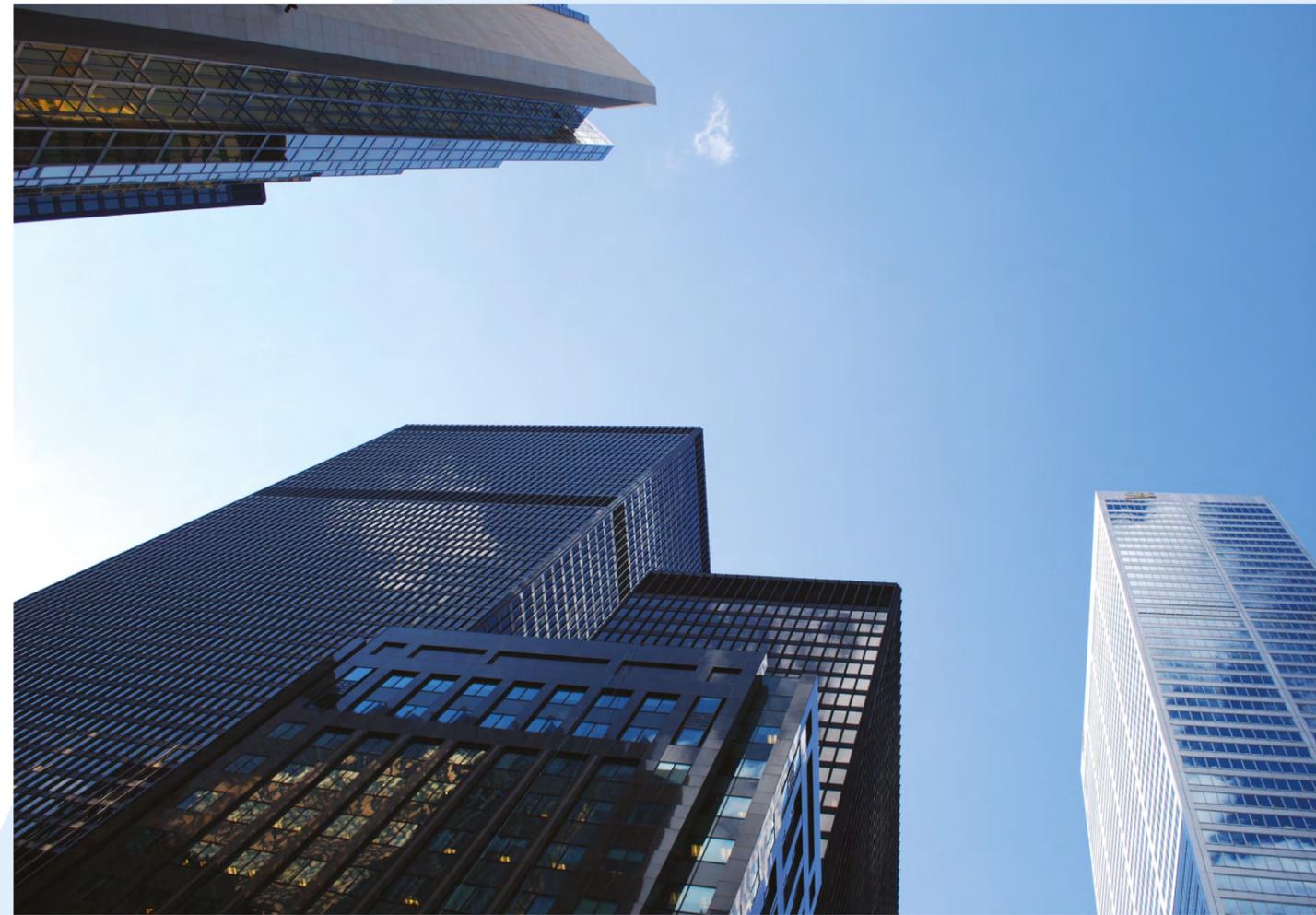
Development is key to our decision on what sponsorships we undertake. We continue to identify credible and impactful initiatives that are compliant with our sustainability policy to support through sponsorships. And our sponsorships cut across the broad spectrum of sectors which we serve, to reflect our end-to-end financial services credentials.

Through our “Fine Arts and The Acts”, Stanbic IBTC is recognized as an active sponsor and supporter of the creative industry. The overriding objective of our arts sponsorship programme is to nurture and promote the development of creative industry, encouraging engagement and social interaction. We also sponsored the “ArtX Lagos” and the “EatDrinkLagos”, an event.

**“The overriding objective of our arts sponsorship programme is to nurture and promote the development of creative industry”**



Guests at the annual Stanbic IBTC Fine Arts and the Acts event in Lagos



## Standards and codes

Stanbic IBTC’s business sustainability and international best practices continue to attract commendations, recognitions and revalidation through various awards and certifications.

Stanbic IBTC Bank PLC and its holding company, Stanbic IBTC Holdings PLC, both recorded AAA(nga) national long-term ratings by Fitch Ratings, which provide a relative measure of creditworthiness for rated institutions. According to Fitch Ratings, “AAA” is the highest credit quality. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments.

This capacity is highly unlikely to be adversely affected by foreseeable events.” Fitch said triple A “denotes the lowest expectation of default risk” while the F1+ “indicates the strongest intrinsic capacity for timely payment of financial commitments.” Such regular ratings provide an idea of the credit worthiness of the institutions so rated.

The Stanbic IBTC Blue Academy was accredited by the banking industry umbrella body, the Chartered Institute of Bankers of Nigeria, and certification issued to validate its training standard.



[www.stanbicibtc.com](http://www.stanbicibtc.com)

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