



PLEDGE
TO BE
NATURE'S
KEEPER



SUSTAINABILITY REPORT 2017

We are proud to present our annual Integrated Sustainability Report for the financial year 2017, covering Sterling Bank's social, economic, and environmental performance from January 1, 2017 to December 31, 2017. It is an abridged copy of the Annual Stand-alone Sustainability Report. It has been prepared in accordance with the requirements of the updated GRI indicators (G4), the International Integrated Reporting Committee framework, and the Nigeria Sustainable Banking Principles.

Sterling Bank Plc is committed to ensuring that sustainability is at the core of its business activities and operations. In the past 5 years, we have made significant contributions towards the social, economic and environmental develop-

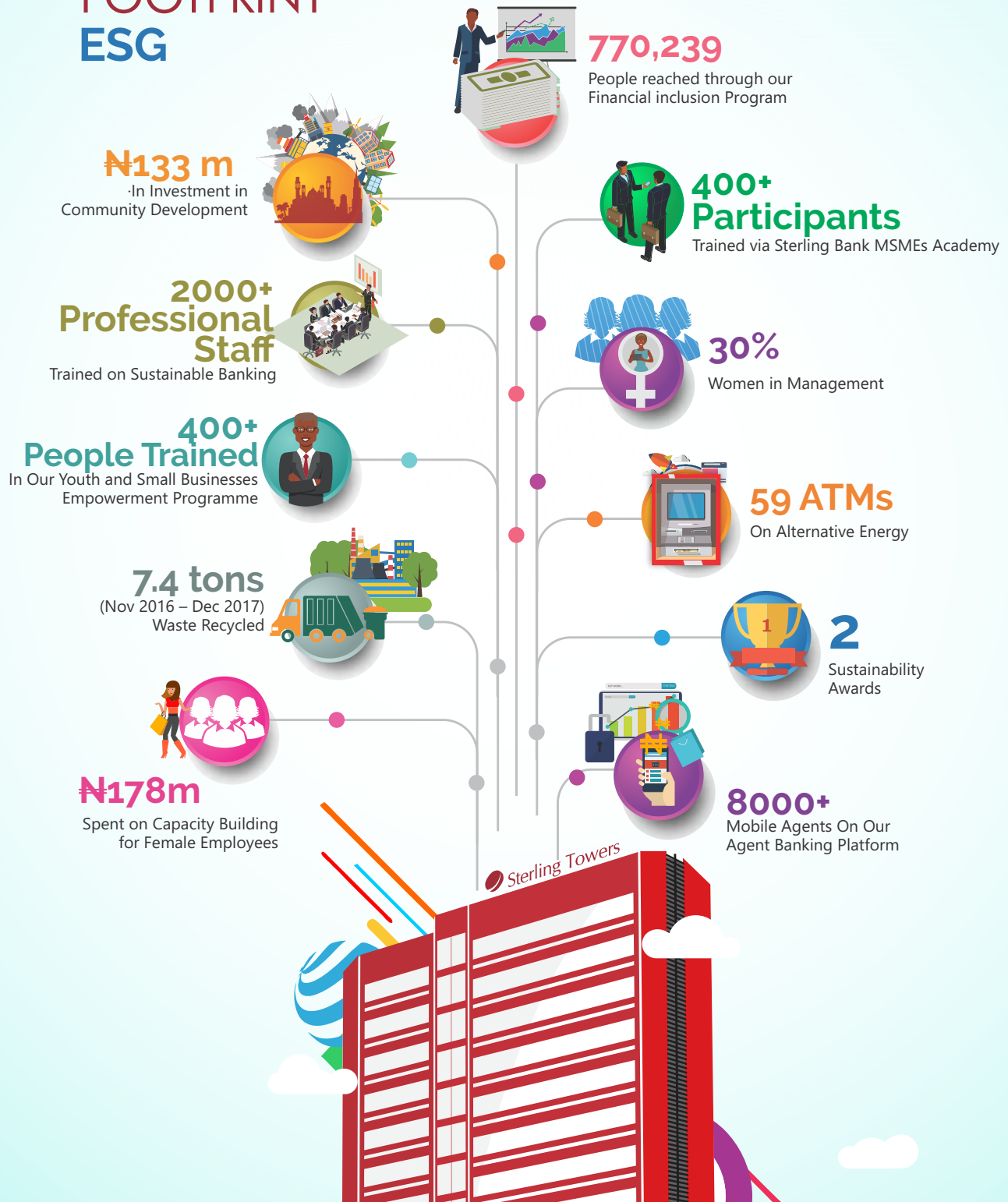
ment of Nigeria, improving our green credentials as a sustainable financial institution.

PricewaterhouseCoopers (PwC) conducted a limited independent external assurance on the report, using the International Framework for Assurance Engagements and International Standards on Assurance Engagements 3000; the external assurance procedure included on-site visits, interviews with relevant KPI managers and verification of related documents and data.

In this report, we document the Bank's long-standing commitment to build on our positive social and environmental impact. This forms part of an overarching strategy to achieve sustainable development in harmony with stakeholders' priorities.



OUR SUSTAINABILITY FOOTPRINT ESG



Environment

We remain devoted in reducing our ecological footprint and commitment to climate change actions to reduce the emission of anthropogenic greenhouse gases (GHGs) and enhance natural carbon sinks by planting trees and utilizing renewable energy technologies in our day to day operations. We also influenced our stakeholders' action towards a green economy by acting in an advisory capacity, financing and participating in the development of innovative products and services.

Sterling Environmental Make Over (STEM)

The Sterling Environmental Makeover – an employee volunteer initiative that involves senior management and staff of the Bank embarking on national cleaning exercises in different states partnering with agencies responsible for waste management.

It is one of several initiatives the Bank has embarked on to promote environmental sustainability in line with the Sustainable Development Goals. The initiative has since become a movement currently attracting corporate entities and celebrities pledging their support for this good cause.

Since its inception 4 years ago in Lagos state, the Bank has successfully held the cleaning exercise in 14 states in the country with the highlight being the signing of Olamide, an artiste as the ambassador for STEM thus enhancing its impact on different socio-economic classes.



• MD, Sterling Bank and Chief Marketing Officer at the signing of Olamide as an ambassador for STEM



• At the Computer village – MD Sterling Bank and ED Operations and Services with the Honourable Commissioner of Environment, Lagos state.

Recyclart Competition

In furtherance of our passion and commitment to promote sustainability in our environment, the bank launched a novel initiative in 2017 tagged Recyclart. Recyclart is an art competition where recyclable materials are used in creating sculptures and art works with cultural and societal relevance.

The competition serves as a means to preserve culture and connect with our communities by empowering young artists and emerging talents

RECYCLART COMPETITION
Meet the WINNERS

Udeh Charles RIVERS	Dudu Emmanuel LAGOS	Samson Ogundeji OGUN	Ifedilichukwu Chibuikwe ABUJA
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4 WINNERS. N4 MILLION. 4 STATES
Meet the creative minds who finally made the cut

1. Udeh Charles (Rivers) | 2. Dudu Emmanuel (Lagos) | 3. Samson Ogundeji (Ogun) | 4. Ifedilichukwu Chibuikwe (Abuja)

Congratulations

For further enquiries, please call 0700 (STERLING) 0700 7837 5464
Visit www.sterlingbankng.com/Recyclart

Connect:

• Sterling Bank Recyclart competition winners



• The Vice president, Prof. Yemi Osinbajo at the display of the Recyclart artworks with the ED, Finance and Strategy at the African Culture & Design Festival art exhibition themed 'This is Africa'



• Mr Adegboyega Adegun, Business Executive, Corporate banking, presenting the One Million Naira cheques to winners of the Sterling Bank Recyclart competition

nationally to create unique art pieces from waste materials. Participants were required to create an original piece of art made from recycled and repurposed materials to be exhibited at a public space. The competition was done in partnership with the British Council and took place in four zones—Lagos, Ogun, Rivers and Abuja. A cash prize of One Million Naira and several other benefits in kind were awarded to each winner from the four zones.

Waste Recycling Initiative

As an environmentally friendly brand, we understand that we can significantly reduce the waste we generate through more efficient use of assets and resources. We are also committed to sustainable waste management, and this entails, among other measures, reducing the amount of wastes sent to landfills, by adopting the principle of "Reduce, Reuse and Recycle."



• Assistant General Manager, Special Services, Lagos Waste Management Authority (LAWMA), Jide Onayiga; Chief Executive Officer, WECYCLERS, Olawale Adebisi; Chief Risk Officer, Ojonimi Imaji; Chief Marketing Officer, Henry Bassey and Company Secretary, Justina Lewa, during the Waste Recycling Points Redemption event at the bank's headquarters in Lagos

In line with this, the Bank, in partnership with Wecyclers - an international award winning social enterprise, focused on recycling and LAWMA (Lagos State Waste Management Agency), commenced a Waste Recycling Initiative at the Bank's head office with the aim of managing the Bank's wastes in an efficient manner thereby reducing the Bank's Carbon footprint. The initiative enables the Bank to recycle its waste by separating bio-degradable waste from recyclable waste. LAWMA disposes the bio-degradable wastes while the recyclable wastes (Paper, Cans, Sachet, Pet etc.) are further processed from waste to wealth thereby creating additional employment for small and medium entrepreneurs. *The Bank earned 38,718 redeemable green points in one year of implementing its Waste Recycling Initiative.*

Commemoration of the World Environmental Day

We commemorated the world environmental day where all staff members were encouraged to plant a tree and an event was organised to recognize and award several of our environmental champions. A documentary (titled *Nowhere to Run - Nigeria's Climate and Environmental Crisis*) was shared to educate staff on the impact our business activities can have on the environment.



The Group Head, General Internal Services, Yemi Adebomi giving out gifts to environmental champions to commemorate the World Environment Day.

A cross-section of the Environmental Champions

Biofil Toilet Digester

To further integrate effective waste management, we deployed a Biofil toilet digester system to one of our branches. The system works by filtering toilet waste into two compartments (Liquid and Solid) whereby the solid waste undergoes decomposition through an aerobic process using bio-enzymes. The Digester chamber is self-sustaining and frequent dislodging is not required, thereby eliminating water and air contamination and the risk of dumping untreated waste into the environment.

The Digester also reduces greenhouse gas emissions as methane is not released directly into the atmosphere.

Waste Management Partnerships

The Bank made giant strides in its waste management partnership investments with state governments across the country in 2017. The waste management partnership involved donation of street sweepers' uniforms to state governments across the country. A total of 10 additional states were invested in during the year under review apart from the existing 14 states bringing the total number of states benefiting from this environmental impact cause to 24. The 10 additional states are Benue, Edo, Niger, Kogi, Kaduna, Plateau, Akwa Ibom, Cross River, Imo and Ondo state. Our plan is to take this laudable initiative across the country.



Energy Saving Initiatives

Sterling Bank is committed to reducing greenhouse gas emissions as a result of our operations. To achieve this, the Bank continued to deploy hybrid power and renewable energy solutions to its branches. The solution was deployed to 10 branches this year, bringing the total number of branches on renewable or hybrid power solutions to 14.

Two solar powered offsite ATMs were commissioned at Lekki Admiralty Way and Dolphin Estate in 2017, bringing the total number of ATMs on hybrid/renewable energy to 59.

Solar powered branch perimeter lighting solutions have been deployed to about 80% of the Bank's network.

Power/Energy Audit

An energy audit was conducted for all branches to ascertain the energy consumption of the branches and explore opportunities to improve energy efficiency. Results from the audit indicate that about 54% of branch energy usage is tied to cooling systems.

This was addressed by converting the cooling systems at certain locations from conventional ACs which consume average of 1100 watts to Specialized Inverter ACs which consume less than 100 watts, reducing energy consumption by over 90%.

The table overleaf shows the resource consumption for the bank over the last 2 years.



Top: The 45Kwh Hybrid Solar project installed at the Head Office Annex, Ilupeju, Lagos
Bottom left: Deployment of hybrid power/ renewable energy at Magboro Branch, Ogun state
Bottom right: Hybrid powered Offsite ATMs at Admiralty Way, Lekki, Lagos

Resource	2017	2016	% Change
Amount spent on petrol (N)	241,705,490.90	248,277,120.00	-2.65%
Average cost per liter of petrol (N)	145.00	145.00	0%
No of liters consumed	1,666,934.42	1,712,256.00	-2.65%
Co2 emission on petrol consumed (KgCO2e)	3,853,452.3	3,958,222.2	-2.65%
Weight per liter of petrol consumed (kg)	0.71	0.71	0%
Total weight of liters of petrol consumed (kg)	1,183,523.44	1,215,701.76	-265%
Amount spent on diesel (N)	482,451,626.00	523,544,878.00	-7.85%
Average cost per litre of diesel (N)	200.00	200.00	0%
No of litres consumed	2,411,858.13	2,617,724.39	-7.86%
Co2 emission on diesel consumed (KgCO2e)	6,433,872.75	6,983,041.58	-7.86%
Weight per litre of diesel consumed (kg)	0.84	0.84	0%
Total weight of litres of diesel consumed (kg)	2,026,296.83	2,198,888.49	-7.85%
Amount spent on dispensed bottled water (N)	30,360,060.00	29,065,050.00	4.46%
Cost per bottle of dispensed water (N)	450.00	450.00	0%
No of litres consumed	1,281,869.2	1,227,191.0	4.46%
Weight per litre (kg)	1.00	1.00	0%
Weight of litres of water consumed (kg)	1,281,869.20	1,227,191.00	4.46%
Amount spent on paper (N)-	25,682,040.00	20,314,800.00	26.42%
Average cost per paper ream (N)	1,500.00	1,200.00	25%
No of reams consumed	17,121.36	16,929.00	1.14%
Weight per ream (kg)	2.40kg	2.40kg	0%
Weight of reams of paper consumed (kg)	41,091.26	40,629.60	1.14%
Amount spent on electricity (N)	318,230,903.60	283,356,846.30	12.31%
Average cost of electricity per KWH (N)	40.00	30.00	33.33%
No of KWH consumed	7,955,772.59	9,445,228.21	-15.77%
Co2 emission on electricity consumed (KgCO2e)	4,173,598.30	4,954,966.72	-15.77%
Total CO2 emissions on electricity, diesel and petrol consumed (KgCO2e)	14,460,923.35	15,896,230.50	-9.03%
Total waste generated (kg)	1,439,880.95	1,568,825.23	-8.22%

Notes:

- During the year, diesel consumption dropped by 7.85% compared to a 16.52% decline in electricity consumed, this led to the 15.77% decline in Carbon emissions from Electricity consumption, Petrol consumption also dropped by 2.65%.
- The total GHG emitted by the Bank's business operations reduced by 9.02% from 15,896 tCO2e in 2016 to 14,460 tCO2e in 2017. Diesel consumption constituted our biggest emission point at 44% of total emission in 2017. Carbon Footprint per employee reduced by 11.21% from 4.4 tCO2e in 2016 to 3.9 tCO2e in 2017.
- Paper consumption increased marginally by 1.14% due to the increase in staff strength.
- Drinking water consumption from water dispensers at our offices increased marginally by 4.5% due to an increase in staff strength and customer base.

Social

Financial Inclusion

Sterling Bank further deepened its Agency Banking Platform by providing financial services to individuals and communities that traditionally had limited or no access to the formal financial sector. The number of unbanked individuals who received financial services or products for the first time increased by 2,382% from 25,038 individuals in 2016 to 621,427 individuals in 2017. While the Agent banking network increased from about 212 stationary agents in 2016 to over 6,000 mobile agents in 2017. The Agency banking model is one of the National Financial Inclusion Strategic tools for taking banking to the market segment that may be unwilling to come to the bank premises. Other initiatives include financial literacy for children as well as women. The Bank was awarded The Best Bank in Financial Inclusion during the SERAS - CSR 2017 Awards for Africa.

Some of the financial literacy initiatives organized in 2017 include:

Sterling MSME Academy

This capacity building programme aims at empowering women entrepreneurs and equipping small business owners on how to run a sustainable business and position them to access funding for development. We organized two MSME trainings in Kano (245 participants were trained) and Ilorin, (156 participants were trained) in 2017. Eight (8) MSME training sessions have been carried out since 2015.



Sterling E-Money Box

We launched the E-Money box to encourage a savings culture amongst children. The E-Money box is available to children that have an “I can save” account. Over 1,800 E-Money boxes have been given out since its launch.

Financial Literacy Initiatives

Last year, Financial literacy trainings were organized across the country by staff volunteers under the Employee Volunteer Programme. In addition, the Bank has embraced the CBN's Adopt-a-School recommendation. To this end, a total of 54 schools were visited and 7,382 students were taught the rudiments of financial literacy during the 2017 World Savings Day held on October 31st, 2017.



Women Economic Empowerment

Sterling Bank is committed to promoting Women Economic Empowerment and fostering an organisational culture that exemplifies the Bank's deep commitment to the development and empowerment of our female employees and clients.

In a bid to provide a bespoke offering for all our female customers and clients given their unique needs, a well- rounded proposition was established in the course of the year which boasts of a bouquet of life-impacting solutions catering to the health, finances, social and networking needs of the Nigerian woman among so many other benefits.

The One-Woman Proposition

The Bank launched the 'One Woman' proposition on 8th March 2017- an initiative focused on supporting women across various facets of life and empowering them to be the best they can be. The One-Woman value proposition comprises an array of different value-add offerings developed to meet financial, business, health, social networking and personal needs of the Nigerian woman. It provides a platform to support women across all walks of life. A dedicated website was also set up to provide wholesome content for women and equip them in their various endeavors. www.onewoman.com.ng.



Award-winning actress, Kate Henshaw; Group Head, Corporate Banking, Mojisola Bakare; wife of the Chairman, Sterling Bank, Mrs Ifeyinwa Ighodalo; on-air personality, Tope Odigie and Marian Nwana, Strategic Marketing Group, Sterling Bank at the Sexually Confident woman event held in Lagos powered by One woman

The platform seeks to support women from diverse economic backgrounds by offering discounts on loan offerings, free health checks, internship opportunities, a customized debit card with a multi-offering discount provision on various services, empowerment workshops/academy, lifestyle nuggets, business needs, personal support etc.

Below are other initiatives the Bank invested in during the year to empower women:

- The Bank provided a child care (creche) facility and a "Flexi-plan" for nursing mothers to enable them balance work and motherhood comfortably as part of the Bank's work-life balance strategy.
- The Bank invested over five million naira via our Market Women Quick Cash Initiative to empower 30 women in Kaduna State.

- The Bank encouraged staff to adopt a medical insurance plan with Industry leading Health Management Organizations (HMO) to enhance qualitative medic-care for staff. For cases requiring immediate attention that are mild health challenges, the Bank has set up a well-equipped clinic facility at the Sterling Towers as well as the head office annex to address such emergencies.
- Female employees also enjoyed free medical checks during the International Women's Day celebration while the Bank flagged-off a month-long Breast Cancer Awareness campaign.
- The Bank donated over three million naira to Channel for Widow Relief Initiative NGO, based in Ibadan, Oyo State for empowering the women in the scheme.
- We also trained over 5,000 women on financial literacy which was held in Kaduna and Bayelsa, while we empowered them with affordable financing.
- In lending its voice to women, the Bank sponsored an initiative around nursing mothers and pregnant women tagged "Mamalette" which included health care tips for the new born and Mother and career tips for resumption after maternity leave.
- The Bank sponsored numerous initiatives created by different women from different socio-economic classes such as (Mums in Business Fair, Her Own Network, and the launch of a book titled Sounds of Silence musing written by Ifeoma Digbe etc.)

Women Economic Empowerment will be at the zenith of our business model and we remain committed to fostering a culture that promotes the development and empowerment of our female employees and clients.

In recognition of our efforts so far in this light, the Bank was awarded the Bank of The Year in Women Economic Empowerment at the 1st edition of the 2017 Nigeria Sustainable Banking Awards organised by the Central Bank of Nigeria (CBN).

Gender Equality and Diversity

The Bank is an equal-employer with a strong commitment to a well-diversified work-force along ethnic, language lines with no gender bias. As at December 2017, female representation on the Board of Directors was at 26.67%, while the ratio of women to men in the bank is 41% to 59% respectively.

As at December 2017, ethnicity breakdown ratio stood at 53% Yoruba, 18% Igbo, 4% Hausa and 25% other ethnic tribes.

Work-life balance

We have adopted the “Flexi-time and Flexi-place” initiatives for staff to enable them achieve a desirable work-life balance.

'Flexi-time' enables staff to work during flexible hours from 7am to 4pm; 8am to 5pm; 9am to 6pm or 10am to 7pm respectively. 'Flexi-place' on the other hand enables staff to work from any location outside the office and promotes work-life balance.

Corporate Social Investments

Our Corporate Social Responsibility (CSR) investments in 2017 exceeded those of 2016. A total of N113 million Naira was expended on CSR



initiatives in 2017, resulting in 132% percent increase from N48 million expended in 2016.

There has also been increased CSR participation from employees and external parties, with over 30,000 participants in 2017 compared to about 7,000 participants in 2016.

Project Name	Location of Project	Activities Organized	Date of Event	Amount Invested (Naira)	Number of Participants Involved
Free Movie Ticket	Lekki, Maryland, Ibadan, Port Harcourt	Giving out free movie tickets at 4 different locations to reward and celebrate customers during the Sterling Bank Valentine's activation #thingswedoforlove	February 13-15, 2017	2,918,000.00	150 participants
Free BRT Tickets	Sterling Cares - Free BRT Bus Tickets	Free BRT bus tickets at 3 different locations- Tafawa Balewa Square, Ikorodu and Mile 12 with approval from LAMATA (Lagos State Mass Transport Association) and Primero	February 13-15, 2017	2,918,000.00	800 Participants
One Woman launch event	Oriental Hotel, Victoria Island, Lagos	The launch of the One-woman proposition	March 8, 2017	2,500,000.00	300 Participants
Open House Lagos	British Council, Ikoyi, Lagos	Press conference, opening launch, bus tour and volunteer party	April 18-30, 2017	3,500,000.00	Over 500 Participants
Abuja Color Blast	Abuja	Press conference, color blast activation	April 29, 2017	2,800,000.00	Over 1,000 Participants

Project Name	Location of Project	Activities Organized	Date of Event	Amount Invested (Naira)	Number of Participants Involved
Financial Literacy	Selective Schools- Nationwide	Selection of schools across regions, children taken to different branches for excursion	May 23-27, 2016	6,700,000.00	Over 15,000 Participants
LAWMA Workers May Day	Lagos	Celebration/award of street sweepers in Lagos state	May 24, 2017	4,700,000.00	Over 10,000 Participants
Leap Africa: CEO's Forum	Lagos	The forum is a knowledge sharing platform for supporting and empowering SMEs to grow into sustainable businesses.	June 1, 2017	3,500,000.00	Over 500 Participants
Healthcare Excellence Awards 2017	Lagos	Annual Nigerian Healthcare Excellence Awards (NHEA) 2017	June 23, 2017	2,000,000.00	Over 200 Participants
Sexually Confident Woman - Self Love 2.0	Lagos	Event supported to drive women empowerment	June 25, 2017	3,000,000.00	Over 200 Participants
Sponsorship of Lagos @ 50 Event	Lagos	Event organized in celebration of Lagos @ 50	June 1, 2017	5,000,000.00	Over 200 Participants
Sponsorship of Kb Klub	Lagos	Event supported to promote youth empowerment	July 14, 2017	200,000.00	Over 200 Participants
Sterling Environmental Makeover	Computer Village, Ikeja	Skate and clean activation, press conference, STEM activation	August 12, 2017	14,840,000.00	Over 1000 Participants
Commissioning of Igbosere High Court Library	Lagos Island	Commissioning event	September 18, 2017	50,000,000.00	Over 100 Participants
CFA Women Society	Civic Centre	Women in Investment and Management Initiative and 2017 Chater Award Ceremony	November 10, 2017	3,000,000.00	Over 200 Participants
Recyclart Competition	British Council	Official unveiling of miniature art pieces made from recycled materials	November 16, 2017	1,200,000.00	Over 200 Participants
Mums in Business Fair	Kings' College Annex	A seminar and a business fair for existing and emerging mothers	November 25-26, 2017	2,500,000.00	Over 300 Participants
Africa Culture and Design Festival	Balmoral Hall, Federal Palace VI	A weeklong festival promoting renowned artistes and showcasing their best work	November 10-11, 2017	12,500,000.00	Over 500 participants
Sponsorship of Ake Books & Art Festival	Abeokuta, Ogun State	The Ake festival	November 14-18, 2017	6,000,000.00	400 Participants
Book Launch - Sounds from Silence Musings	Lagos	Official launch of the book - Sounds from Silence Musings	November 17, 2017	2,000,000.00	Over 100 Participants
Transport Event Abuja	Abuja	Official launch of the bank's transport desk	October 23, 2017	1,500,000.00	Over 500 Participants
Transport event Uyo	Akwa-Ibom	Official launch of the bank's transport desk with focus on Uyo	November 2017	500,000.00	Over 500 participants
				133,776,000.00	

Materiality Assessment

The information from our stakeholder engagement provides vital input to our annual 'materiality assessment' – the process of identifying those issues that are core to the bank's sustainable development. Our materiality assessment guides our focus for reporting and informs our strategic approach.

We reviewed the following to determine our material issues:

- Our strategy
- Our core values
- Internal and external stakeholder engagement

- Risk management and regulation
- Global challenges and national priorities
- Sustainability indices

Focus areas

The focus areas identified following the materiality analysis in view of our identified stakeholders include:

- Financial sustainability
- Social sustainability
- Environmental sustainability

The table and chart below include a list of our material issues.

Material Issue	Most Concerned Stakeholders	
1	Customer Trust & Protection	Customers
2	Quality of service	Customers
3	Customer satisfaction	Customers
4	Data Security	Customers
5	Financial Performance	Shareholders
6	Governance and Accountability	Staff, Shareholders, Regulators
7	Human/Labour Rights & Employee wellbeing	Staff
8	Financial Stability	Local Community, Staff, Customers
9	Risk Management	Shareholders, Customers
10	Fraud & Anti money laundering	Shareholders, Regulators
11	Financial Inclusion	Customers, Local Community, NGOs
12	Fair Remuneration	Staff
13	Innovative Business Development	Customers
14	Responsible Lending	Customers
15	Career Development & Employability	Staff
16	Sustainable procurement	Environment, Suppliers
17	Infrastructure and Accessibility	Staff, Customers
18	Business Ethics	Customers, Shareholders, Suppliers
19	Reduction of environmental Impact of our operations	Environment
20	Carbon Emission	Environment





Stakeholders Engagement

At Sterling Bank, we actively pursue open, relationship-driven communication with stakeholders characterized by an undivided focus on creating sustainable value and enriching lives.

In other to facilitate effective communication with stakeholders, we have invested in both human and material resources to build the capacity required for excellent performance, while we ensure that our engagement processes are carefully crafted and tailored to suit each stakeholder group.

Our Stakeholders	How We Engage	Their Expectations	Our Response
Customers	• Branches	• Innovative, high quality products and services	• Award-winning Internet and mobile banking
	• Contact center	• 24/7 quality customer service	• 24/7 call contact center
	• Mobile and online banking	• Secure, accessible and easy banking	• First Call Resolution Program
	• Website	• Transparent and fair fees and charges	• Loyalty programs

Our Stakeholders	How We Engage	Their Expectations	Our Response
Customers	• Social media channels	• Privacy	• Code of Conduct
	• Relationship managers		• Privacy Policy
	• Customer research		• Customer Awareness and Education unit
	• Customer Complaint Unit		• Customers Segmentation
	• Customer satisfaction surveys		
Employees	• Employee engagement survey	• Equal opportunity & fairness.	• Employee grievance policy.
	• Sterling NOVA (internal magazine)	• Employee health, safety, and wellbeing	• Safety training and inspections.
	• Training and development	• Open & two-way communication with management.	• Employee satisfaction survey.
	• Regular meetings	• Competitive salary & benefits.	• Employee Suggestions Program – “Idea Bank”
	• Annual summit	• Opportunities for training & career development.	• Sterling Bank Learning Academy.
	• HR helpdesk	• Transparent and accountable management team.	
	• Secure channels for suggestions and feedback		
	• Recognition and awards programs.		
	• Yammer (staff social media)		
• Whistle blowing portal.			
Shareholders	• Annual general assembly	• Profitability and growth.	• Net income growth
	• Board of directors' meetings	• Strong, sustainable financial returns	• On-going development of the corporate governance framework.
	• Annual, semi-annual and quarterly reports	• Excellent corporate reputation.	• Strengthening of risk management capabilities
		• Sound corporate governance.	
		• Transparent communication	
		• Compliance with all laws and regulations.	
• Strong risk management			

Our Stakeholders	How We Engage	Their Expectations	Our Response
Regulators	<ul style="list-style-type: none"> Letter, correspondences and email communications 	<ul style="list-style-type: none"> Reduce ecological footprint 	<ul style="list-style-type: none"> Resource efficiency initiatives
	<ul style="list-style-type: none"> Meetings and onsite visits 	<ul style="list-style-type: none"> Limited use of finite resources (energy, water, and paper) 	<ul style="list-style-type: none"> Recycling initiative
	<ul style="list-style-type: none"> Sustainability Champions Online Platform 	<ul style="list-style-type: none"> Improvement in measurement of resource consumption 	<ul style="list-style-type: none"> Reducing printing
	<ul style="list-style-type: none"> Seminars and Workshops 	<ul style="list-style-type: none"> Incorporation of environmental criteria in financed projects Compliance to policies and regulations 	<ul style="list-style-type: none"> Electronic document archiving
	<ul style="list-style-type: none"> Regular reporting 	<ul style="list-style-type: none"> Reporting disclosures as per engagements 	<ul style="list-style-type: none"> Funding of environmentally friendly products and services
	<ul style="list-style-type: none"> Participation in governmental initiatives and campaigns 	<ul style="list-style-type: none"> Delivering best banking practices. 	<ul style="list-style-type: none"> Reporting performance for relevant disclosures such as Basel-II
		<ul style="list-style-type: none"> Investment in customer awareness and education initiatives (financial literacy) 	<ul style="list-style-type: none"> Seeking consultation to increase transparency and prevent non-compliance
<ul style="list-style-type: none"> Consumer protection Alignment to the Country's National Strategy. 			
Suppliers	<ul style="list-style-type: none"> Bidding and tendering 	<ul style="list-style-type: none"> Supplier communications 	<ul style="list-style-type: none"> Implementation of procurement policy and diversity policy
		<ul style="list-style-type: none"> Ethical business dealings 	
		<ul style="list-style-type: none"> Fair contract bidding and awarding processes 	<ul style="list-style-type: none"> Increase the number of suppliers with preference to local suppliers where possible.
		<ul style="list-style-type: none"> Local content 	
		<ul style="list-style-type: none"> Timely payment 	

Sustainability Targets and Achievements

Focus Area	Description	2017 Targets	2017 Achievement	2018 Target
Financial Sustainability	Ensure the organization remains profitable without jeopardizing its existence in the long term	3.5% Market Share by deposits	Deposit market share of 3.1% achieved	3.5% Market Share by deposits
		Non-performing loans (NPL) ratio of <7.5%	NPL ratio of 6.2% achieved	NPL ratio of <5%
		Return on equity of above peer group average	Return on average equity of 9.0% achieved	Return on equity of above peer group average
		Deposit growth of 15% Y-o-Y	Deposit growth of 17.1% achieved	Deposit growth of 15% Y-o-Y
		Liquidity ratio >30%	Achieved liquidity ratio of 33%	Liquidity ratio >30%
		Double-digit revenue growth Y-o-Y	Earnings growth of 19.8% achieved	Double digit revenue growth Y-o-Y
		Capital adequacy ratio >10%	Capital adequacy ratio of 12.2% achieved	Capital adequacy >10%
		Minimum of two investment grade credit ratings	Two investment grade ratings achieved from Global Credit Rating (GCR) and DataPro	Two investment grade credit ratings
Social Sustainability	Ensure the organization prioritizes engagement with her employees, customers, shareholders and communities	CUSTOMERS Top 10 ranking in the KPMG customer satisfaction survey	Ranked 8th in KPMG customer satisfaction survey	Top 5 in 2018 in the KPMG Customer satisfaction survey
		Increase customer engagement via various channels to drive the bank's sustainability strategy	<ul style="list-style-type: none"> Re-vamped our mobile banking platform application. These platforms recorded an impressive growth of 160% in the number of users. Increased customer base on the mobile agent platform to 1,100,000, while mobile agents have increased to 8,000. Refreshed the look and feel of our website to encourage easy navigation and ease of access to content by customers and stakeholders 	<ul style="list-style-type: none"> Aspire to be the Number 1 Digital Bank in Nigeria over the next 2 years Increase mobile agent customer acquisition to over a million customers.
		Conduct employee surveys to feel the pulse of the workforce	<ul style="list-style-type: none"> A trust index survey was conducted by Great Place to Work, engaging various departments within the bank and outcomes from the survey are being addressed Organized road shows in various Regions to feel employee pulse and address issues raised. 	Working on a model where each group/department would have a business partner which engages with them to support their business.

Focus Area	Description	2017 Targets	2017 Achievement	2018 Target
Social Sustainability		Establish an E-learning platform to block knowledge gaps and build capacity	Provided E-learning trainings in the form of short video clips along with the traditional E-learning platform.	<ul style="list-style-type: none"> Re-vamp our E-learning training platform. Develop and implement additional Sustainable Banking E-learning training.
		SHAREHOLDERS Continuous engagement with shareholders	<ul style="list-style-type: none"> The Investor Relations team regularly sent updates on the bank's business to analysts and shareholders. Regular engagements were also held with shareholders via our social media channels to drive real time engagements. 	Increase engagement of shareholders/ analysts via various channels to improve the Bank's fair valuation
		COMMUNITIES Continue to identify and invest in communities where we operate in line with our Corporate Social Responsibility (CSR) focus areas i.e., Education, Empowerment and the Environment	Impacted positively on over 10 communities across the country during the Sterling Environmental Makeover exercise. Donations were also made to the Channel for Widow Relief Initiative NGO, based in Ibadan, Oyo State for empowering the women. The MSME Academy also held in select communities like Kano and financial literacy trainings were organized for women in Kaduna under the Market Women Quick Cash scheme amongst others.	Continue to identify and invest in communities where we operate in line with our Corporate Social Responsibility (CSR) focus areas i.e., Education, Empowerment and the Environment
Environmental Sustainability	Ensuring Sustainability in our business operations through reducing greenhouse gas emissions in our business operations and also promoting Sustainability in our sphere of influence through analysing the environmental and social impact of bank-financed projects i.e. responsible lending	<ul style="list-style-type: none"> Participate in international and multi-stakeholder initiatives to drive improved standards and progress of Sustainable banking in Nigeria 	<ul style="list-style-type: none"> Partnership with LAWMA and Wecyclers on the Bank's Waste Recycling initiative. Partnership with the British council to organise The Recyclart competition (Finale) Partnership with several organisations to organise the 2017 Sterling Environmental makeover such as Beats FM, Wecyclers, Pepsi, LAWMA etc. 	<ul style="list-style-type: none"> Subscribe to be a member of the Equator Principles(EP) and or The United Nations Environmental Programme Finance Initiative (UNEPFI).

Focus Area	Description	2017 Targets	2017 Achievement	2018 Target
		Incorporate energy efficiency equipment into new and already existing buildings	<ul style="list-style-type: none"> Significant increase in use of alternative energy at our branches and ATMs located across the country reducing the Bank's carbon footprint. Completion of the on-going 45KW Hybrid Solar project at Head Office Annex, Ilupeju, Lagos Deployed hybrid power and renewable energy to 10 branches Two solar powered offsite ATMs were commissioned at Lekki Admiralty Way and Dolphin Estate A Power Audit has been completed in Lagos and the installations of Low Energy Consuming Appliances has been extended to several branches 	<ul style="list-style-type: none"> Reduce the Bank's Carbon Footprint by a minimum of 5% over the next 3 years. Deployment of hybrid/ renewable energy to 20 additional branches. Electrical load optimization in 20 additional branches.
		Conduct Environmental and Social Risk Assessment for transactions under the 3 sectors of focus (Agriculture, Oil & Gas and Power)	70.83% of all approved corporate and commercial transactions under the 3 sectors of focus were screened and assessed for E&S Risk. This was an improvement from 2016 where, 60.47% of transactions were screened.	Expand the sectoral coverage of E&S Risk Assessment and analysis to cover four additional sectors: Mining, Manufacturing, Real Estate and Construction.

External Assurance Report

At Sterling Bank Plc., we strive to be frontrunners in transparency and in ensuring that our stakeholders have a reasonable level of confidence in the credibility of our continuing efforts to embed sustainability into our 'core purpose'.

To achieve this, we have selected specific sustainability activities which were performed during the year under review - 2017 and have engaged a third party to provide an attestation to the assertions (occurrence, existence, validity) of these activities as disclosed in our Sustainability Report.

This process is in line with requirements of Principle 9 of the Central Bank of Nigeria's Sustainable Banking Principles (NSBP) and global best practices as set out by the Global Reporting Initiative (GRI) standards. It also provides our stakeholders with information that confirms that our internal and external sustainability systems are functioning effectively and in line with our overall sustainability strategy to consciously incorporate Environmental and Social Sustainability into our business strategies, operations and engagements.

Below are identified indicators we have selected for assurance. We have also disclosed on the definitions, scope, criteria and boundaries established for each one of the indicators - all of which is referred to as our "Reporting Criteria":

Indicator	Reporting Criteria	Sustainability Report
SOCIAL		
Increased customer engagement via various channels to drive the Bank's sustainability strategy	The existence and functionality of our customer engagement mechanisms are listed below: 1. Social Media 2. 24/7 Call Centre 3. Whistleblowing Portal 4. Complaints Management and reporting to CBN	Stakeholders Identification and Engagement: Customer engagement

Indicator	Reporting Criteria	Sustainability Report
SOCIAL		
Established internal communications within the Bank	Internal engagement with our employees which include dissemination of health & wellness tips and employee welfare programs.	Labour Management Relations
Regular employee surveys to feel the pulse of the workforce	Culture survey carried out by a third party – Good Place to Work.	Sustainable Practices: Sustainability Targets and Achievements
Investment in Communities	Community investment initiatives and value reported in 2017.	Corporate Social Investments
Financial Inclusion through innovative products (Agency Banking Platform)	Bank's agency Banking Platform – BankOne and the number of mobile Agents registered for the year 2017.	Financial Inclusion
Employee welfare packages such as flexi-time etc.	Initiatives implemented to improve the welfare of our staff: 1. Gym facilities; 2. Staff Clinic and Wellness Checks; 3. Flexi Time Policy.	Occupational Health & Safety (1&2); Labour Management Relations: Work-life balance (3)
ENVIRONMENTAL		
Continued partnership with LAWMA and its equivalent in other states of the federation	Partnerships with Lagos, Ondo and Cross River States respectively; and the donation of branded Kits & equipment to the Ogun State street sweepers and Kwara State highway managers.	Effluents and Waste: Waste Management Partnership
Align credit processes to the sustainability principles via investment in environmentally friendly projects (ESMS Assessment)	Compliance of our E&S Risk management system to the requirements set in our Risk Strategy and its alignment to the IFC's performance standards.	Sustainable Practices
Implementing the Bank's Carbon Footprint Reduction Policy	The existence of the following carbon reduction initiatives implemented in 2017: 1. Waste treatment solution for the Bank's Martin Street Branch and HQ Annex: – A toilet digester system which reduces frequent dislodging of waste by treating toilet waste with bio-enzymes. 2. Uber for Business: The outsourcing of pool cars from Non-market facing staff in 2017 to reduce emissions from trips and maintenance costs.	Biofil Toilet Digester (1) Emissions (2)
Practical reduction of electricity consumption and diesel usage	Reduction in resource consumption across our energy sources: Diesel and National Grid.	Energy: Power/energy audit
Eco-friendly disposal of waste using Recycling companies	Waste categorization and pick up performed by a third party - Wecyclers Limited	Effluents and Waste: Waste Recycling Initiative

We refer to this information as the “Selected Sustainability Information for Limited Assurance” which is also referred to as the “Selected Sustainability Information”.

**Please note that this is an abridged version of the 2017 sustainability report. The full report encompassing the Independent Assurance Report on selected Sustainability information and the GRI Index Context is posted on our website.*