

2019 Sustainability Report

Fidelity Bank's Sustainability vision is to achieve outstanding business growth, innovation and performance in the most sustainable manner. This aligns with our purpose as we embrace the concept of sustainable development and seek to promote "best in class" sustainability practices in the Nigerian Financial Services Industry. As a Bank, we recognize that the long-term survival of our institution depends on our determination and discipline to abide by sound Environmental and Social Governance practices. Fidelity Bank is therefore committed to delivering value edge products and services with the intent to "do no harm" to the environment and the people.

We understand the need to ensure our lending decisions meet the tripod objectives of economic viability, environmental responsibility and social relevance. This way, we continue to ensure that the costs of economic development do not fall disproportionately on those who are poor or vulnerable, that the environment is not degraded in the process, and that renewable natural resources are managed sustainably. With this understanding, Fidelity Bank will continue to observe relevant local and international standards such as the Nigerian Sustainable Banking Principles (NSBP), Equator Principles, the International Finance Corporations (IFC) Performance Standards and other best practice standards in managing environmental and social risks in our operations as well as that of clients we finance.

Managing Environmental and Social (E&S) Risks in Clients' Businesses

At Fidelity Bank, we understand that our client's projects/operations are exposed to environmental and social issues hence our lending decisions could, in uncontrolled circumstances, produce negative environmental and social impacts. Consequently, we have developed systems and processes to identify, assess, mitigate, monitor and report such impacts. Our comprehensive E&S Risk Management Systems which is well entrenched in the Bank's Credit processes, afford the Bank the opportunity to help clients secure long term sustenance of their businesses. By so doing, we meet our own objective of engaging in responsible banking. In line with the strategic aspiration to become a Tier 1 Bank by 2022, the Bank aspires to be a leader in the provision of sustainable financing products by ensuring Environmental Social and Governance criteria remains a major consideration in product development and all client engagements.

Compliance with Equator Principles

Equator Principles (EPs) is a global risk management framework for identifying, assessing and managing environmental and social risks in project finance. The EP framework is the financial sector's leading voluntary standards which also builds



on the International Finance Corporation's (IFC) Performance Standards (PS) and the World Bank Group's Environmental, Health & Safety (EHS) Guidelines.

Fidelity Bank joined the Equator Principles community in November 2012 and is committed to implementing the Equator Principles through internal environmental and social risk management policies.

As part of the structure to mainstream E&S issues in our lending processes, our Sustainable Banking Unit that operates out of the Risk Management Directorate reviews project related applications above the threshold of US\$10m as stipulated by the EPs while also reviewing other applications below this threshold in line with other national and international requirements.

Fidelity Bank has continued to strengthen its environmental and social risk management systems. The environmental and social risk assessment procedures form an integral part of the Bank's credit analysis process. Every business-related credit is screened/assessed against a set of Environmental and Social Risk criteria and then classified based on category definitions. Measures to mitigate identified risks are presented as part of loan preconditions and covenants. Fidelity Bank has also instituted measures including maintaining a robust database that supports effective monitoring and reporting on credits assessed to E&S requirements. In the course of our monitoring/inspection visits, we endeavor to provide clients education on approaches to achieving long term sustainability of their businesses through effective environmental and social risk management.

As part of its routine roles, the Sustainable Banking Unit organizes capacity building programs across the Bank. The Unit circulates quarterly bank-wide internal communication to promote environmental and social risk management culture and awareness among staff. The Unit also delivers Environmental and Social Risk Management training modules at all staff induction programs, Bank's Thursday lecture series and E-Learning portal assignments and quizzes for all staff.

As a financial institution adopting the EPs, Fidelity Bank undertakes not to support projects where the borrower will not, or is unable to, comply with the environmental and social requirements arising from the application of the EPs. As part of our E&S assessment procedures, we classify projects in line with the International Finance Corporation's Performance Standards for project categorization as follows:

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

- Category B: Projects with potential limited adverse social or environmental impacts that are few, generally site-specific, largely reversible and readily addressed through mitigation measures; and
- Category C: Projects with minimal or no social or environmental impacts.

Below, we report our project finance activity, in line with Equator Principle III requirements for the period, January 1 to December 31, 2019. During the review period, Fidelity Bank did not participate in any project finance related advisory services, project-related corporate loans and bridge financing, as defined in the Equator Principles:

Project Finance - Sector Reporting

Sector	E&S Risk Categories		
	A	B	C
Oil and Gas	1	0	0
Power	0	0	0
Infrastructure	0	0	0
Others	0	0	0
Total	1	0	0

Project Finance – Regional Reporting

Region	E&S Risk Categories		
	A	B	C
Americas	0	0	0
Europe, Middle East and Africa	1	0	0
Asia Pacific	0	0	0
Total	1	0	0

Project Finance – Country Designation

Designation	E&S Risk Categories		
	A	B	C
Designated Countries	0	0	0
Non-Designated Countries	1	0	0
Total	1	0	0

Project Finance – Independent Review

	E&S Risk Categories		
	A	B	C

Yes	1	0	0
No	0	0	0
Total	1	0	0

MANAGED SME SCHEME AS A VEHICLE FOR POVERTY REDUCTION

At Fidelity Bank, our goal is to become the foremost and most innovative SME support banking business in Nigeria while helping our clients build sustainable businesses. The Bank recognizes SMEs as an engine for the attainment of economic growth as they spur productivity, job creation, alleviate poverty and promote prosperity in the country. To underscore this recognition, the SMEs Banking Division was established as a vehicle to drive the achievement of this goal.

The highpoint of the SMEs Banking support in 2019 was the Fidelity Bank organized conference “Fidelity SME Funding Connect” which took place in Lagos, Nigeria. The Event which was themed “Entrepreneurship Meets Capital” was the first of its kind in the Nigerian Financial Services Industry. It brought together entrepreneurs and non-banking financiers and created opportunity for entrepreneurs with good business plan and practices to be exposed to funding from non-Banking institutions and to enable non-banking institutions locate SMEs to invest in.

About 8000 SMEs registered online to participate in the SME Funding Connect, while 2000 indicated interest in participating in a Grant Competition, a highpoint of the event. At the end of the programme, 12 participants (of which 50% were female) received grants. Under the Bank’s sponsorship, winners attended an intensive business management boot-camp at the PWC Business School in Lagos, and have continued to enjoy support from the Bank.

Beyond providing tailored, low-cost financial solutions, we also respond to the unique and dynamic needs of the SMEs segment by developing capacity building initiatives that provide practical guidance to entrepreneurs. Through effective use of the electronic media, business icons, captains of industry and leaders in the public sector are sponsored by the Bank to enlighten SME owners on how to identify and optimize sustainable business opportunities. The Fidelity SME Radio Forum, Regional SME Conferences and related TV Series remain key platforms for delivery of these capacity building initiatives.



Fidelity Bank also provides sector-focused capacity building programs through its Export Leadership Institute established in partnership with Lagos Business School (LBS) of the Pan- Atlantic University and the Nigerian Export Promotions Council (NEPC), to deliver impactful, world-class export management education to existing and potential business leaders. Over 600 participants have featured in the 8 streams of the program which held in Lagos and Kano States of Nigeria.

As evidence of our commitment to the support of SME businesses, our SME customer footprint as at date is in excess of 390,000 customers across Nigeria.

CONTRIBUTING TO GREENHOUSE EMISSIONS REDUCTION

We understand that if deliberate steps are not taken to urgently combat climate change and its impact, it could pose dire consequences to economic and social well-being and development efforts. We have joined several other organizations globally in the fight against climate change.

In pursuit of greenhouse gas emission reduction, we are constantly reviewing our strategy which is geared towards adoption of cleaner energy and efficient resource use. The Bank has commenced the implementation of its sustainable power solution project with the installation of solar energy infrastructure at its Head Office and some Lagos branch offices to reduce dependency on power from generators and the national grid and thereby minimize its climate impact. While this is currently being implemented in Lagos, we plan to gradually scale up coverage to other business locations in the country.

The Bank continuously seek initiatives to reduce energy requirement and manage resources efficiently. Electronic equipment such as air conditioners are being replaced with low energy consuming ones. Again, the Bank has continued its strict implementation of the early closure policy which mandates Branch Management to shut down power by 6pm at the Branch Offices, and thus reduce power consumption from fossil fuels.

Fidelity has continued to maintain its fleet of staff buses which offers well over 600 members of staff free home-to-work commuting services every workday minimizing the number of vehicles driven by staff and the associated GHG emissions. While this gesture serves to promote employee welfare, it also contributes to Bank's overall greenhouse emission reduction.

Fidelity Bank has increased the number of locations with teleconferencing facilities to ten (10) nationwide to allow connection of employees in more locations electronically and consequently reduce the carbon footprint from

employee travel.

GUIDED BY THE INTERNATIONAL BILL ON HUMAN RIGHTS

Fidelity Bank in its commitment to uphold Human Rights has continued to identify with the International Bill on Human Rights and the conventions of the International Labour Organization. To demonstrate this resolve, the Bank in dealing with employees, suppliers and third-party contractors, ensures fair treatment without any form of discrimination or disregards of human rights.

The Bank’s Human Rights Policy defines the Bank’s commitment to upholding human rights standards and encapsulates a non-discrimination policy which prohibits the use of child labour, forced labour and discrimination on grounds of religion, gender, race, tribe, age, physical challenge, or economic background.

The percentage representation of employees per employee category in each of the following diversity groups as at December 31st 2019 are as summarized below:

Gender Distribution of Employees

Gender	Percentage Representation(%)
Female	45
Male	55

Board Seat - Gender Composition

Gender	Percentage Representation (%)
Female	21
Male	79

Age Group Distribution

Age	Percentage Representation (%)
21 - 25	6
26 - 30	14
31 - 35	16
36 - 40	35
41 - 45	22
46 - 50	5
51 - 55	2

Fidelity Bank is committed to the development of an engaging and inclusive work environment with the objective of ensuring employability, skill development and fair remuneration. Our training institute, Fidelity Crest Academy, organizes different capacity training programs for employees.

Average hours of training per annum per employee by employee category

Level	Nos of hours
ET – MGR:	120hrs
SM – Above:	80hrs

To further support employee welfare, Fidelity Bank has a number of compensation benefits accessible to both males and female employees which includes Share of Profit and/or Dividend, provision of Essential Commodities (Essenco), Status Car, Professional & Club Membership, Offshore Trainings, Study Leave, HMO, Reimbursement of Certification Courses Exam Fees, Burial Support, Wedding Grant, Personal Loans, Maternity Leave, annual medical check-up etc.

Fidelity Bank maintains effective Whistle Blowing policies, and grievance mechanism policies for prompt identification and remediation of grievances. Our HR Clinic initiative is designed to provide an interactive one-on-one meeting between the HR team and employees bank-wide. The HR Clinic Initiative creates opportunity for feedback on HR processes, counselling to staff (including stress management) and promotes freedom of expression.

Fidelity Bank also ensures that human rights considerations are given due attention during lending decisions and same standards are embedded in contract agreements including the service level agreements of vendors.

HEALTH AND HIV/AIDS POLICIES

The Bank in its commitment to support good health and wellbeing recognizes her workforce as one of her most strategic assets with a competitive advantage for sustainable business success. This commitment to drive high standards in health and safety management led to the Bank's certification by the British Standard OHSAS 18001 on Occupational Health and Safety Management Systems in 2018, and which was affirmed in the 2019 annual surveillance audit on OHSAS 18001.

Fidelity Bank has a Corporate Membership of the British Safety Council, a UK awarding body on Occupational Health and Safety standards. The Bank has a robust Occupational Health and Safety Management Systems and has appointed safety champions and fire wardens with day to day responsibility for the management of Health and Safety in the institution. The safety champions and fire wardens are regularly trained and have been certified by the World Safety Organization. On a regular basis, awareness materials on Health and Safety are communicated to all employees while formal trainings are conducted through the Bank's Thursday Lecture Series and through E-learning platforms, with all employees benefiting.

We are committed to supporting the good health and wellbeing of every employee and to adopting best practices that cater for their healthcare using appropriate medical intervention through HMO services, guidance and



counseling, cancer care treatment, annual medical check-up, equal opportunity policy structures and workplace inclusiveness. In 2019, the Bank sustained the collaboration with the HMO to operate an In-house Medical Bay with a sit-in Medical Doctor and Nurse to provide primary health care to staff around the Lagos and Victoria Island environs.

Employees living with HIV/AIDS have the right to confidentiality and privacy concerning their HIV status. Therefore, the Bank has continued to enforce its policy of non-discrimination against any employee or customer based on their HIV/AIDS status. Except where required by law to be disclosed to specific people or with the express consent of the employee, all medical information regarding employees with HIV/AIDS are kept strictly confidential. However, the Bank's standard incapacity procedures are usually applied in the event of a noticeable deterioration in the health of an employee living with HIV/AIDS matched by a decisive impact on the employee work ability.

EMPOWERING AND CREATING OPPORTUNITIES FOR WOMEN

Fidelity Bank recognizes the role of women in the society and the significant contributions they can make to economic development of any society. When a woman is empowered, she has the willpower to elevate herself out of poverty and contribute significantly to family income.

Recognizing that women are often prevented from realizing their economic potentials because of gender inequity, Fidelity Bank is committed to creating opportunities for them in its employment as well as through lending and advisory activities.

In this regard and in compliance with the Central Bank of Nigeria requirement, Fidelity Bank ensures adequate female representation in its workforce. As at December 31st, 2019, Fidelity Bank had 45% female representation in its total workforce. The bank at end of 2019 also had 21% women representation on the full Board, and 43% of all executive directors being women. Also given the Bank's commitment to ensure equity in employee development, 38% of total expenditure on capacity building was spent on female employees. The Bank has several policies which support the female employees as well as welfare of their families. Female employees are given adequate access to the staff health care program as well as financing schemes available in the Bank.

Fidelity Bank in 2019 collaborated with strategic alliance partners to implement several business financial and capacity development programs for women entrepreneurs. At the Fidelity Bank organized "SME Funding Connect" in Lagos, six (6) female entrepreneurs who won in the grant competition at the event



alongside with the male winners and other selected participants were sponsored by the Bank to attend an intensive business management boot-camp at the PWC Business School in Lagos.

Fidelity Bank further showed its commitment to women when it pursued and was granted US\$50million SME fund by the African Development Bank in 2019. 30% of this fund was reserved solely to finance women-owned businesses at a much-subsidized rate compared to the commercial rates offered by Banks.

In the first quarter of 2019, all editions of the 30-minutes capacity Building radio program, the Fidelity SME Forum, was dedicated to showcase successful women entrepreneurs who have remarkably performed well in their respective fields. These model entrepreneurs who are subject-matter experts shared their knowledge and experiences on air, provided insights and encouraged existing and prospective entrepreneurs especially the females.

Fidelity Bank also provided financial support for Dew Drops Cake, a leading cake-making and pastries company in Lagos, Port Harcourt and Abuja, to organize an exclusive lunch for female cake/pastry makers and Buddy Valastro, the "Cake Boss," in Lagos. About 500 people (mostly women) participated in the event.

The Bank also expects its clients to minimize gender-related risks from business activities and unintended gender differentiated impacts.

TIMELY REPORTING AND TRANSPARENT DISCLOSURES

Fidelity Bank is guided by relevant statutes and codes on Corporate Governance as well as the Company and Allied Matters Act (2004). Fidelity Bank seeks to provide accurate and timely information regarding its lending and advisory activities as well as more general information in accordance with its corporate governance stance.

The Bank recognizes the importance of disclosure of information, both for itself and its clients, as a means of managing environmental, social and governance risks. To guard against the risk of financial crime within our business, we focus on training our employees, strengthening our screening systems and ensuring that our policies and procedures are effective and up to date.

CODE OF ETHICS AND INSIDER DEALING

Fidelity Bank continues to pride itself in its long-standing good professional and ethical reputation which are sustained through a combination of policies, systems and cultural practices. The Bank has a Code of Conduct and Ethics Policy which



clearly communicates the Bank's zero tolerance for corruption, money laundering, bribery, abuse of office and similar transgressions. We have an Ethics Committee, which, among its duties, ensures that provisions of this Policy are communicated to all staff at the start of each year, followed by individual staff attestation to comply with the provisions. The Bank has in place a Whistle Blowing Policy, in partnership with the professional firm KPMG, which encourages internal and external stakeholders to report their concerns about any unethical behavior to enable the Bank investigate and address promptly. We host our Whistle Blowing Application on our Internet webpage.

Fidelity Bank's Anti-Bribery and Corruption Policies and procedures are also regularly communicated to employees and management in the Bank. There were no fines paid by the Bank on account of any of its staff being found wanting on cases of Bribery and Corruption in 2019. The Bank also did not also contravene any environmental law and regulation in 2019 hence no monetary fines paid. As a responsible Financial Institution, we will continue to embrace adaptation measures that promote sustainable investment.

Fidelity Bank is committed to delivering products and services with the intent to "do no harm" to the environment and the people. In providing cutting edge products and services, the Bank ensures transparency in the provision of product information and the overall satisfaction of the customer.

COLLABORATING WITH PARTNERS

Fidelity Bank recognizes that it can achieve greater results with combined efforts rather than acting alone. The Bank therefore endeavors to collaborate with clients who identify and manage environmental and social risks and who pursue environmental and social opportunities and outcomes in their business activities with a view to continually improving sustainability performance. Fidelity Bank participates actively in sector-wide efforts and international initiatives to promote sustainable development. Fidelity Bank is a signatory to the United Nations Environmental Program-Finance Initiative (UNEP-FI), United Nations Global Compact, and Equator Principles. The Bank actively participates at the Sustainable Banking Champions Industry meetings which holds in Lagos and is a member of the National Financial Inclusion Technical Committee representing the Banker's Committee. Fidelity Bank also partners with the Nigerian Conservation Foundation (NCF) on environmental advocacy initiatives.

LEADING BY EXAMPLE IN E&S FOOTPRINTS MANAGEMENT

Fidelity Bank believes that the commitment to E&S management requires leading by example. We therefore manage the E&S footprints associated with our internal operations and undertakings by making sustainability considerations an integral

part of everyday work in our offices wherever located. Through the recommendations of the Sustainable Banking Governance Committee which membership are at Executive and Senior management levels, best practices in environmental and social management are pursued within our operations. In 2019, the Bank commenced implementation of its Sustainable Power Solution project at its Head Office with initial installation of solar panels and batteries in one of its buildings providing 70% energy requirement. This initiative will also be extended to some Lagos Branches in the first quarter of 2020 and gradually across other Lagos facilities and upcountry branches in the medium term.

In furtherance to our Sustainable procurement objectives, the Bank ensures environmental and social considerations are integrated into the procurement practices of the Bank. New Air Conditioners procured are now faster cooling and energy saving. The Bank's standard approved office lightings for Head Office and Branches is Light Emitting Diodes (LEDs) which are energy saving. The new computer systems model currently being procured by the Bank have low halogen and with small light inductive components which reduces energy consumption.

To enhance efficiency and productivity, Fidelity Bank partnered with some vendors to provide Centralized Printing Solution (Managed Document Solution) at its Head Office facilities. Twenty-Eight (28) printing machines have been installed at different locations across the Head Office and annexes. This solution has led to improved efficiency in the use of paper, with consumption reduced by 23% from the period of commissioning of the machines.

Fidelity Bank through its Corporate Social Responsibility activities strives for positive social contributions in communities by providing basic needs, reducing poverty, supporting education, improving health and increasing long-term employment through the Bank's central CSR platform and through a vehicle known as the Fidelity Helping Hands Program (FHHP). The FHHP project is an employee volunteer program which allows employees contribute towards community projects, while the Bank supports with a matching fund and allows execution in paid time. Branches or departments of the Bank identify pressing needs in their immediate communities, ascertain the cost and make personal financial contributions towards execution. The concerned branch work with the Corporate Social Responsibility team for the matching fund, execution and commissioning. The Bank ensures that the desired outcomes from the investments are in line with the Sustainable Development Goals.

In 2019, overall CSR activities by the Bank focused on Education, Youth Empowerment, Health, Environment and Security with the highest contribution going to Youth Empowerment, Health and the Environment representing 75% of the total investment by the Bank. By geopolitical zone distribution, 47.58% of the

investment impacted the North (East, West and Central) and 52.42% for the South.

In recognition of the significant role the youth population play in economic and social development of a country and the need to deliberately empower them for the future, Fidelity Bank birthed the Youth Empowerment Academy. This initiative, which is in partnership with Gazelle Academy (one of the foremost vocational training institutes), and targeted at undergraduates, empowers the youth in developing entrepreneurial skills to attain self-employment and financial independence. Vocations trained on at the event include fish farming, programming language coding, phone engineering, baking and confectionary, tailoring, cloth embellishment etc. The program which has held in seven (7) tertiary institutions across the country has impacted both directly and indirectly over 3,000 beneficiaries who have gone ahead to start their own businesses and supporting others through trainings to join the business. The beneficiaries, with the support of the Bank, start to earn a living from their businesses, contributing to family income and alleviating hunger and poverty.

In pursuit of our Nature conservation and environmental beautification strategies, the Bank works with State and Local Governments to create and maintain green parks in key locations across Nigeria. In 2019, the Bank continued to maintain its environmental advocacy program through financial sponsorship and physical participation in the Nigerian Conservation Foundation / Lagos State Government organized Walk-for-Nature program.

Fidelity Bank also extended its support through sponsorship of the World Sickle Cell day awareness programme held in Lagos in 2019.

DEEPENING ECONOMIC DEVELOPMENT THROUGH FINANCIAL INCLUSION

Fidelity Bank understands that Financial Institutions given their roles can stimulate an all-inclusive growth of the economy through Financial Inclusion. The Bank believes that Financial inclusion is a key enabler in alleviating poverty and achieving prosperity. It recognizes that convenient and affordable access to financial services will have significant positive impact not only for individuals but also for their families, society and the country at large. Fidelity Bank is therefore committed to ensure the poor, marginalized people and those vulnerable to low economic power, engage in formal economic process through ownership and regular usage of formal financial products and services.

Fidelity Bank aligns its internal Financial Inclusion policy with the provisions of the Central Bank of Nigeria National Financial Inclusion Strategy (NFIS), and we leverage on strategic partnership with different stakeholders including Government, MDAs, the Private Sector and Developmental Agencies to achieve our Financial Inclusion targets.



In 2019, Fidelity Bank partnered with the Nigerian Postal Service (NIPOST) to open over 4,000 Savings Accounts for unbanked women in Kaduna State across nine (9) Local Government Areas. The program was designed to support the education of the girl-child from less privileged homes. The Accounts were opened for care-givers of the children and 4,000 beneficiaries were on-boarded on the BVN platform with debit cards issued to allow access to the fund.

Fidelity Bank also partnered with NIPOST on the National Cash Transfer Office (NCTO) cash transfer program to effect payments to beneficiaries in Kebbi, Edo and Ondo States under the social investment scheme. This initiative is sponsored by the Federal Government to support the poor in the society. Fidelity Bank has commenced Account opening for the beneficiaries.

In fulfilling the Bank's obligation towards the National Financial Inclusion Strategy, we also focused our efforts on including more youths (aged 18-35) in the financial sector by adopting the Fidelity Bank campus activation train. The program which took place at different tertiary institutions is a platform used to provide financial education and first-timer account opening.

In 2019, Fidelity Bank continued its partnership with super-agents, agent aggregators and Fintechs to drive financial inclusion and expand the Bank's reach.