Embedding Sustainability in a Commercial Bank:
A case study of Access Bank Plc

Omobolanle Victor-Laniyan

July 14, 2016
Corporate Philosophy

**Our vision**
To be the world’s most respected African Bank

**Our mission**
Setting standards for sustainable business practices that; unleash the talents of our employees, deliver superior value to our customers and provide innovative solutions for the markets and communities we serve.

**Our core values**
- Leadership
- Excellence
- Empowered employees
- Passion for customers
- Professionalism
- Innovation
Presentation Objectives

➢ To highlight opportunities associated with advancing sustainability.

➢ To highlight lessons from Access Bank Plc sustainability programs

➢ To highlight the relevance of sustainability to corporate organizations especially in an emerging economy such as Nigeria
ACCESS BANK PLC

- Founded in 1989
- A top 5 player in the Nigerian Banking Industry
- Operates in 7 African countries, the UK, China, UAE
- Strong financials, solid asset quality and high liquidity
- Sound risk management culture – moderate risk appetite
- Aspire to be the World’s Most Respected African Bank
- Leading Sustainably
ABOUT ACCESS BANK PLC

With a vision of becoming one of the most respected banks in Africa, Access Bank has grown to be a top five bank in Nigeria(1)

- Raised N462mn from the first public offerings
- Quoted on Nigerian Stock Exchange
- Raised N15bn in public issues to meet capital requirements
- Successful acquisition of Capital and Marina bank
- FMO becomes largest institutional investor through conversion

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>&lt;1999</td>
<td>Appointment of Aigboje Aiglomoukde as MD/CEO and Herbert Wigwe as DMD</td>
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<tr>
<td>2002</td>
<td>Embarked on a 5 year transformation agenda</td>
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<tr>
<td>2005</td>
<td>Local bond issue of N11.9bn</td>
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<tr>
<td>2006</td>
<td>Raised N136bn in public offerings including a highly successful and massively over-subscribed GDR</td>
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<tr>
<td>2007</td>
<td>The Access Bank UK is established</td>
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<tr>
<td>2009</td>
<td>Awarded IFC Sustainable Bank of the Year</td>
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<tr>
<td>2011</td>
<td>Acquisition of Intercontinental Bank</td>
</tr>
<tr>
<td>2012</td>
<td>Ranked fourth largest bank as a result of the acquisition</td>
</tr>
<tr>
<td>2013</td>
<td>Credit rating:</td>
</tr>
<tr>
<td></td>
<td>Local</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>AA-</td>
</tr>
<tr>
<td>Fitch</td>
<td>A-</td>
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<td>Agusto</td>
<td>A+</td>
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<tr>
<td>GCR</td>
<td>A+</td>
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</tbody>
</table>

1st 5 Year Rolling Plan

2nd 5 Year Rolling Plan

3rd 5 Year Rolling Plan

- $350mn Eurobond
- Passed CBN’s Special Audit on Governance, Liquidity and Capital Adequacy
- Divestment from Non-Banking Subsidiaries
- Transition into large diversified banking institution
- Designed as SiFi by CBN
...sustained by our diversified business leveraging our entrenched value chain strategy across all our market segm

To Be The World’s Most Respected African Bank

To set the standard for creating value for our customers, employees, shareholders, investor communities through sustainable business practices

Rank in the top 3 position in our chosen markets by 2017

<table>
<thead>
<tr>
<th>Corporate &amp; Investment Banking</th>
<th>Commercial Banking</th>
<th>Business Banking</th>
<th>Personal Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Focuses on multinational, large local and foreign owned companies with minimum annual turnover of N10 billion, as well as financial institutions</td>
<td>• Provides financial services to organisations with annual gross turnover between N1 billion and N10 billion, as well as Federal state &amp; local government Parastatals and agencies</td>
<td>• Focuses on companies and Small &amp; Medium Enterprises (&quot;SMEs&quot;) with annual turnover of not more than N1 billion.</td>
<td>• Provides financial services to affluent professionals, employees in the value chain of the Access Bank Group’s corporate clients</td>
</tr>
<tr>
<td>• Offers clients a wide range of financial services</td>
<td>• Focuses on oriental</td>
<td>• Adopts the Commercial Banking Business’ target market model, and focuses</td>
<td>• Also, manages relationships with pensioners, employees of religious</td>
</tr>
</tbody>
</table>


Business sustainability is the management of an organization's impact on the triple bottom line (people, planet and profit) – *Financial Times Lexicon*

Forms of progress that meet the needs of the present without compromising the ability of future generations to meet their needs – *World Business Council on Sustainable Development*

Providing innovative solutions to support global efforts in addressing social, environmental and economic challenges – *Access Bank*

Access Bank has the ambition of being a transformational leader in Africa and is clearly positioned as a leading Bank in our region on sustainability.

Sustainability is key to helping us achieve our vision of becoming the world’s most respected African Bank.
Over the years, businesses have shown commitment to communities and society through philanthropic gestures most of which do not align with the business strategy of the organization.

In recent times, we have seen philanthropic gesture evolve into the concept of corporate social responsibility with the understanding of sustainable development.

More recently, the concept of corporate sustainability has emerged. Thus today, firms are increasingly incorporating sustainability into core business activities from marketing to advertising and communication.
Philanthropy

- Derives from Ancient Greek – to love people
- is an act of “kindness”
- Individual or Corporate Organisation

Sufficient then for good perception

Needn’t be strategic

Societal support
Philanthropy – Sufficient for Societal Support?

**Until recently**

Manufacturing a good product, creation and retention of employment → Contribution to society

**But Now**

CSR = incorporate social fairness, ethics and environmental consideration into the management practices

Trust = Not exist from the beginning, but should “be earned”

Corporations need to enhance their accountability and improve their transparency → development of institutional framework
A BIG CHANGE...

- Governance concerns e.g. Enron
- Environmental concerns e.g. Climate change
- Social concerns e.g. Child labour
- Organizations around the world, their stakeholders, and society in general, are becoming increasingly aware of the need for responsible behaviour
- The aim is to contribute to sustainable development, health and the welfare of society.
- Responsibility is becoming one of the important influences on an organization’s performance and they are subject to greater scrutiny by their various stakeholders.
If every company or business refused to pay bribes, implemented fair labour practices and adopted environmentally, economically and socially responsible practices, then our world could be transformed to be more balanced, more just and more sustainable.
Access Bank’s Sustainability Journey

- Business operated based on high ethical standards, respect for human rights and support for society since 2002 till date
- Top Management commitment to responsible business practices since 2002 till date
- BOD approved robust CSR strategy
- CSR Committee constituted
- Employee Volunteering fully adopted bank-wide
- Published pioneering Sustainability Report
- Nigerian pioneering signatory to Equator Principles, LBG, BiTC, UNPRI, UNEPFI
- Initiated Nigeria Sustainable Finance Week in 2011 (leading to development of the first ever Nigeria Sustainable Banking Principles)

2002
- Established CSR function
- Extensive gap analysis on current CSR status conducted

2008
- Cost Benefit Analysis Study conducted on Sustainability
- Embedded Sustainability into Corporate Philosophy

2009
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2010
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2011
- Cost Benefit Analysis Study conducted on Sustainability
- Embedded Sustainability into Corporate Philosophy
- Partnered with relevant stakeholders to develop Nigerian Sustainable Banking Principles
- Appointed Leadership Group Member, United Nations Women Empowerment Principles
- Appointed Member, Private Sector Delegation to the Global Fund Board

2012
Access Bank’s Sustainability Journey

- Established Development Banking Group
- Achieved a record high of 99% employee volunteers bank-wide
- Appointed Chair, Steering Committee on Nigerian Sustainable Banking Principles

2013
- Emerged first in independent CSR ranking on the 3C Index
- Developed robust Sustainability strategy themed ‘Financing the Future’
- Appointed Board member, Private Sector Health Alliance of Nigeria
- Appointed co-Chair United Nations Environment Program Finance Initiative, Africa & Middle East Task Force, and member Global Steering Committee

2014
- Appointed Member, WeConnect National Advisory Board, Nigeria in 2015
- Appointed co-Chair, United Nations Global Compact Local Network Steering Committee

2015
- Appointed co-Chair Nigerian Business Coalition Against AIDS in 2016
- Pioneered waste recycling in Nigerian financial sector in 2016

2016
Access Bank’s Sustainability Journey

Access Bank Progress on Sustainability to date

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Competitive</th>
<th>Leading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vision and strategy</strong></td>
<td>Understanding of value at stake, vision and plan</td>
<td>2008</td>
<td>2014</td>
</tr>
<tr>
<td><strong>Business Impact</strong></td>
<td>Driving significant value and impact across the business</td>
<td>2008</td>
<td>2014</td>
</tr>
<tr>
<td><strong>Capabilities</strong></td>
<td>Right knowledge, skills, tools, capabilities and processes</td>
<td>2008</td>
<td>2014</td>
</tr>
</tbody>
</table>

**Strong progress...**

- **Leadership:** Top level leadership and buy in on sustainability (From day 1 and ongoing)
- **Governance:** Governance processes to review progress
- **Industry leadership:** Driven regulation and industry collaboration on sustainability in Nigeria with CBN (NSPB)
- **Strategy:** Corporate strategy on sustainability, with further opportunities for the Bank
- **ESG Risks:** Implemented credit risk toolkit to assess risks
- **Financial inclusion:** Driven financial inclusion through women’s products and Mobile Money
- **Policies:** Developed some key policies (e.g. human rights)
- **Environment:** Implemented some energy efficiency and environmental projects
- **Supply chain:** Implemented a vendor selection programme
- **Community:** Strong community and volunteering programmes
- **Reporting and Disclosures:** Consistently Nigerian industry leader on reporting and disclosures
- **Awards:** Won several awards on sustainability
AWARDS

2016  **EuroMoney Best Bank** Transformation Award

2015  **GBCH Health Leadership** in Sustainability Award,

2014  **Best Nigerian Company** in Corporate Citizenship

2014  **Socially Responsible** Lender of the Year

2012  **Business in the Community** Big Tick,

“**Honorary Award** for Championing the Nigerian Sustainable Banking Principles,

2011  **FT/IFC Sustainable Bank** of the Year (Africa and Middle East)

2010  **Most Socially Responsible Bank** by African Banker magazine.
## ACCESS BANK & SUSTAINABILITY

### Why is Sustainability important for Access Bank?

<table>
<thead>
<tr>
<th></th>
<th>Access Bank Vision, Strategy and People</th>
<th>Sustainability is an important issue for Access Bank’s leadership and an effective response is aligned with Access Bank’s vision of becoming become ‘the world’s most respected African bank’</th>
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</thead>
<tbody>
<tr>
<td>2</td>
<td>Regulatory Compliance</td>
<td>Banks are being increasingly targeted through regulation (e.g. CBN is regulating the Nigerian Sustainable Banking Principles) to ensure higher consumer protection and social, environmental, and economic responsibility</td>
</tr>
<tr>
<td>3</td>
<td>Bottom line impact</td>
<td>Rising operating costs and decreasing margins on commoditised products necessitates the need to reduce costs where possible and develop innovative product offerings to drive revenues</td>
</tr>
<tr>
<td>4</td>
<td>Challenging Markets</td>
<td>The markets Access Bank operate in are among the most challenging markets in the world, with multiple development challenges</td>
</tr>
<tr>
<td>5</td>
<td>Emerging Trust Issues</td>
<td>Expectations of stakeholders create a need for banks to effectively respond to sustainability issues in the markets in which they operate</td>
</tr>
<tr>
<td>6</td>
<td>Competitors are responding</td>
<td>As Access Bank expands across Africa and the world, its competitor profiles are changing, the Bank’s new competitors are constantly redefining leadership in sustainability</td>
</tr>
</tbody>
</table>
LEADERSHIP COMMITMENT TO SUSTAINABILITY

“The only way Access Bank can grow our business and succeed is to do so sustainably... Access Bank must continue to lead the industry, while constantly refreshing its understanding of what leadership is”

Herbert Wigwe
Chief Executive Officer

“Sustainability is critical to Access Bank, as it appears to be one of the key ways we can win the marketplace. We should be seen as an institution leading sustainability in Africa”

Obinna Nwosu
Group Deputy MD/COO

“The Strategic Intent of the Bank is to be Africa's Most Respected Bank which cannot be achieved without sustainable banking”

Board Member
ACCESS BANK & SUSTAINABILITY

The questions we answer everyday

How can Access Bank leverage Sustainability to become the most respected African Bank?

- How can Sustainability improve brand perception?
  - How can Access Bank lead in ethics and human rights?
    - How do we establish a fair and inclusive work environment in terms of gender?
  - How can Access Bank impact communities where it does business?
    - What are the key issues in the communities?
    - What structures can we build to effectively address their needs
  - How can we demonstrate environmental responsibility in our business operations?
    - What are the environmental impacts of our business on the environment?
    - How can we manage these impacts?
  - How can we manage the risk of environmental changes?
    - How can we improve credit risk to consider customer environmental practices?
    - How do Access Bank, its customers and vendors source goods/materials?
    - How can we be more responsible in our resource utilisation?
  - How can Access Bank manage global/local resource depletion?
    - How can Access Bank manage the risk of social upheaval
    - How can Access Bank manage sector/concentration issues and credit given to players in the sectors
  - How can Access Bank manage banking industry/sector risk

How can Access Bank lead in ethics and human rights?

- How can we improve the work conditions do our staff operate?

How can Access Bank impact communities where it does business?

- What are the key issues in the communities?
  - How can we manage the risk of social upheaval
- What structures can we build to effectively address their needs

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How can Access Bank manage global/local resource depletion?

- How can Access Bank manage the risk of social upheaval
- How can Access Bank manage sector/concentration issues and credit given to players in the sectors

How can Access Bank manage banking industry/sector risk?
SUSTAINABILITY STRATEGY: FINANCING THE FUTURE

Corporate Strategy

Sustainability Vision
To be the most sustainable and respected bank in Africa, financing and facilitating brighter futures for all of our stakeholders through innovative services and best in class operations

Sustainability Financial Services
Creating shared benefits by delivering value adding financial products and services to enterprise and personal customers to drive positive outcomes

Sustainable Economies
- Economic impact and performance
- Capacity building
- Financial inclusion
- Financial literacy
- Supplier development
- Enterprise Development

Sustainable Societies
- Corporate social investment
- Ethics, compliance and corruption
- Human rights
- Customer security and privacy
- Diversity and equality
- Employee training and development
- Employee volunteering
- Health and wellness initiatives

Environmental Sustainability
- Energy efficiency
- Resource efficiency
- Electronic waste
- Logistics and Business travel management
- Water management

Stakeholder Management, Partnerships and Communications
Building trust, brand and reputation through effective stakeholder engagement, collaborative partnerships and communications on sustainability

Sustainability Performance Reporting
Providing information on performance, managing performance and producing sustainability reports

Sustainable Banking and Risk Management
Embedding sustainable banking principles and controls into portfolio management, transactions, supply chain and risk management framework

Sustainability Capability Development
Developing the people, policies, processes and capabilities to achieve Access Bank’s sustainability and business objectives
**SUSTAINABILITY STRATEGY-IMPLEMENTATION**

### Financing the Future

“Finance has the power to change lives, transform societies and deliver shared value for all of our stakeholders. ‘Financing the Future’ is Access Bank’s business strategy to harness our products and capabilities to create brighter futures for our business, customers and communities - everywhere we work”

<table>
<thead>
<tr>
<th>PURPOSE</th>
<th>SAMPLE ACTIONS</th>
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<tbody>
<tr>
<td><strong>Financing the Future</strong></td>
<td>“To be the world’s most respected African bank, financing and facilitating brighter futures for all of our stakeholders, through innovative services and best in class operations”.</td>
</tr>
<tr>
<td><strong>Sustainable Economies</strong></td>
<td>To facilitate and finance sustainable economic growth – leading the way on financial inclusion and education, helping develop enterprises and being at the forefront of sustainability regulation and thought leadership</td>
</tr>
<tr>
<td></td>
<td>Ranked and won various awards including: GBCHealth Sustainability Leadership Award; World Finance Award as Best Sustainable Bank; GBA Women Champion Market Award; SERAs Best Company in Sustainability Reporting; independently rated as the leading organisation on sustainability by CSR-in-Action.</td>
</tr>
<tr>
<td><strong>Sustainable Societies</strong></td>
<td>To support vibrant and successful communities in every market we work in – helping drive out corruption, promote and protect human rights and ensure a healthy and rewarding working environment for our employees</td>
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<tr>
<td></td>
<td>New accounts for the unbanked</td>
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<td></td>
<td>Support for SMEs (enterprise development)</td>
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<td></td>
<td>Financial literacy programme for the underbanked and unbanked</td>
</tr>
<tr>
<td><strong>Environmental Responsibility</strong></td>
<td>To have a competitively low environmental impact for a bank in our markets - increasing the efficiency of our operations, minimising energy and resource consumption and mitigate any impacts on our environment</td>
</tr>
<tr>
<td></td>
<td>ATMs powered by solar across the network</td>
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<td></td>
<td>Go-Green initiatives to reduce water, diesel, paper and waste</td>
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<tr>
<td></td>
<td>Waste recycling initiatives</td>
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<tr>
<td><strong>Best in Class Operations</strong></td>
<td>To provide best in class expertise, tools and capabilities – automated data collection, analysis and reporting of opportunities</td>
</tr>
<tr>
<td></td>
<td>Automated and managed data collection and reporting</td>
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<tr>
<td></td>
<td>Embedded risk management processes across the bank</td>
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<td></td>
<td>Robust and repeatable training content for Entry level staff</td>
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</table>
Engage with key stakeholders and report data internally and externally. Feedback results into the next performance cycle.

Use the data to drive performance and implement targeted projects to increase business, societal and environmental benefits.

Analyse data to determine performance against targets and peers. Value contribution of sustainability, identify drivers of performance and evaluate future opportunities.

Collect, validate and verify the least amount of the most important data in the most efficient and effective way.

Collect the data.

Improve performance.

Identify the material performance indicators (PIs) that will drive business and stakeholder value for Access Bank.

Identify PIs.

Define strategy.

Develop Access Bank’s strategic objectives for sustainability performance management and reporting.

Engage and report.

Governance.

(Re)define the end to end process and plan, and implement the required tools and capabilities to measure, manage and report performance.

Planning. Delivery.
ACCESS BANK & SUSTAINABILITY

Access Bank Reporting and Disclosures

- **NSBP:** Performance against the nine Nigerian Sustainable Banking Principles
- **Equator Principles:** Produce at least annually a public Equator Principles report, on transactions that have reached Financial Close and on its Equator Principles implementation processes and experience
- **UNEP-FI:** Disclosure of environmental information and impacts in accordance with UNEP-FI Principles
- **LBG:** Accurately report London Benchmarking Group (LBG) data in the public domain
- **UNGC:** Commitment to embed UN Global Compact’s ten principles into business strategies and operations, and issue an annual Communication on Progress (COP), a public disclosure to stakeholders on progress, and in supporting broader UN development goals
- **IFC:** Report client performance on eight IFC Standards on Environmental and Social Sustainability along project lifespan
- **Stakeholders:** ‘Optional’ annual sustainability report covering performance (highly recommended)
- **Global Reporting Initiative:** Optional adoption of key reporting standard to report in line with GRI guidelines
### ACCESS BANK & SUSTAINABILITY

<table>
<thead>
<tr>
<th>Sustainable Financial Services</th>
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<tbody>
<tr>
<td>▪ Value of Enterprise and personal sustainability loans (N)</td>
<td></td>
</tr>
<tr>
<td>▪ Amount invested in sustainability projects through bond (N)</td>
<td></td>
</tr>
<tr>
<td>▪ Number of new customers who were previously unbanked (#)</td>
<td></td>
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<table>
<thead>
<tr>
<th>Sustainable Economies</th>
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</thead>
<tbody>
<tr>
<td>▪ Total value of lending to women, disadvantaged groups and women owned businesses</td>
<td></td>
</tr>
<tr>
<td>▪ Number of SMEs who have benefited from Enterprise Development Hub</td>
<td></td>
</tr>
<tr>
<td>▪ Number of people who have benefited from financial literacy programme</td>
<td></td>
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<table>
<thead>
<tr>
<th>Sustainable Societies</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>▪ Total value of Access Bank Foundation funding (N)</td>
<td></td>
</tr>
<tr>
<td>▪ Percentage of employees involved in voluntary community activities (%)</td>
<td></td>
</tr>
<tr>
<td>▪ Percentage of female employees (%)</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Environmental Sustainability</th>
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<tbody>
<tr>
<td>▪ Total emissions per employee (KG CO2)</td>
<td></td>
</tr>
<tr>
<td>▪ Savings on grid and generator energy (N)</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Internal Capabilities</th>
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<tbody>
<tr>
<td>▪ Percentage of total transactions assessed for ESG risks (%)</td>
<td></td>
</tr>
<tr>
<td>▪ Percentage of supplier spend screened for ESG risks (%)</td>
<td></td>
</tr>
<tr>
<td>▪ Percentage of employees trained on sustainability (%)</td>
<td></td>
</tr>
<tr>
<td>▪ Number of collaboration/partnership meetings attended/supported (#)</td>
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</table>
Sustainability Case Studies
Case Study: MHSS

Market Context

- **Untapped Customer Segment**: According to the Central Bank, a total of 28.6 million adult Nigerians are financially excluded of which 73% represent women.
- **Infertility rate**: The prevalence of infertility amongst married couples in Nigeria is estimated to be about 25% which amounts to >4 million women.
- **Comprehensive Women's Products**: Access Bank offers women robust banking products that covers tailored consumer loans and credit cards.
- **Customer Expectation**: A recent study by EFIna reveals that women are familiar with the products and services of banks, but do not consider them appropriate for their needs.

Opportunity

To enhance Access Bank’s existing value proposition to women by providing and promoting additional tailored banking services across our markets, providing competitive products, services and customer affinity and loyalty benefits that are tailored to consumer preferences, needs and behaviour.

Key benefits to Access Bank:

- **Increased revenues** from new products
- **Enhanced value proposition** of banking with Access for female customers
- **Strategic differentiation** from all competitors
- **Increased lending** to women and greater evidence of financial inclusion.
Maternal Health Service Support (MHSS) is a key component of our Women Banking themed ‘W’ Initiative. This is a first-of-its-kind social impact product developed to help improve access to quality healthcare for women. The MHSS is designed to help women and families overcome barriers to good health and well-being.

**MHSS FACT SHEET**

<table>
<thead>
<tr>
<th>Launched</th>
<th>Year 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Offerings</strong></td>
<td>Discounted financing for medical procedures peculiar to women such as Natal Support, Dental and Orthopaedic procedures, Weight loss procedures, various fertility treatments such as In Vitro Fertilization (IVF), Intrauterine Insemination (IUI), Gestational Surrogacy, Intra-Cytoplasmic Sperm Injection (ICSI), Myomectomies, Hysterectomies, Endometriosis as well as other specialised procedures, which are carried out either locally or internationally</td>
</tr>
<tr>
<td><strong>Beneficiaries</strong></td>
<td>51 women</td>
</tr>
<tr>
<td><strong>Amount expended so far</strong></td>
<td>About 350,000 USD</td>
</tr>
<tr>
<td><strong>Success Stories</strong></td>
<td>On June 14, 2015, the first baby conceived through an IVF procedure financed under MHSS was delivered. 12 other babies, 1 successful infant bone surgery</td>
</tr>
</tbody>
</table>
Sustainable Economies

Case Study: Access Nolly Fund

Market Context

- **SME’s in Nigeria**: According to the Central Bank, SMEs account for 70% of employment, but contribute only 1% to GDP
- **SME Empowerment**: The Government has implemented several strategies to empower small businesses in Nigeria e.g.:
  - CBN’s ₦220bn MSME Fund,
  - 60% discount in CAC registration fees,
- **Nollywood Industry**: Nigerian film industry is the third largest film industry in the world with annual revenue of $200 million and currently employs approximately 1 million people making it the second largest employer of labour in Nigeria.
- Based on the key market segments identified in the sector, research had shown that the industry has the potential to contribute up to 1.5 per cent to the nation’s Gross Domestic Product, GDP, but has been hampered due to an existing funding gap.

Opportunity: To provide Nollywood industry with access to Funds funds in order to facilitate the production and distribution of quality Nigerian movies, purchase of new film production equipment and the expansion/enhancement of production centres and film making hubs

Key benefits to Access Bank:

- **Enhanced value proposition** for SMEs
- **Increased financial return** due to improved business performance of customers
- **Strategic differentiation from competitors**
- **Brand and reputation** with customers and regulators
A N1 billion (about $5 million) ACCESS NOLLY FUND launched in 2016 to improve and provide solutions for markets and communities where we operate. The fund is primarily targeted at players within the industry that have the capacity to produce and distribute movies as well as meet other set eligibility criteria. Some of which are number of movies produced, number of years in the industry and annual business turnover.

Aimed at facilitating the production and distribution of quality Nigerian movies, purchase of new film production equipment and the expansion and enhancement of production centres and film making hubs.
Sustainable Economies

Case Study: Better Mama, Better Pikin

Market Context

Growing social development issues in Africa:
Access Bank has operations majorly in African countries, including Nigeria, Ghana, Gambia, Sierra Leone, Zambia, DRC, Rwanda. Across these economies there are substantial development issues, for example:

- On average, 53% earn less than $1.25 a day
- Average life expectancy is 58
- Infant mortality is 9.9% and adult mortality is 32%
- 39% are illiterate
- 43% do not have electricity

Opportunity:
To offer opportunities for savings whilst making provision for specific healthcare outcomes (particularly women and children’s healthcare). This gives those at the bottom of the pyramid access to health insurance which they otherwise would not have.

Key benefits to Access Bank:

- Enhanced product offering by adding to the benefits received by personal customers
- Clear leadership position on the issues that count
- Supports positive outcomes for each market

Access Bank works in

30
Sustainable Economies

Case Study: Better Mama, Better Pikin

Aimed at alleviating infant and maternal mortality especially for women in Northern Nigeria. The product provides life insurance cover to the tune of 30% of savings deposit of subscribers who are largely in the bottom of the economic pyramid. The remaining 70% is saved for them with interest. Introduced in 2016, Better Mama, Better Pikin is one of the ways Access Bank demonstrates its commitment to addressing social issues especially on public health and women’s health. This product is helping to save lives of mothers and their infants.
Sustainable Economies

Case Study: PaywithCapture

Market Context

- **Unbanked population**: According to EFinA 2012 survey, 39.5% of Nigerians are financially excluded (without access to transaction banking, savings, credit and insurance), the North West region is most excluded where, 64% of the population do not have access to formal financial services.

- **Poverty**: Approximately 68% of Nigeria’s adult population (60mn) live under the poverty line ($1.25 per day), together accounting for ₦4.5 trillion of national income.

- **Demographic trends**: Trends suggest that ~ four million new young adults will become eligible for banking services each year, to keep up with this the banking industry needs to expand its client base by at least 16% p.a.

- **Distribution and Reach**: Tailored mobile finance offerings to the unbanked will help to scale the barriers of financial inclusion e.g. low literacy and phone ownership.

Opportunity

To develop new mobile banking offerings to existing and potential customers. Ultra low cost feature phones can be set up with Access Bank PaywithCapture, enabling access to finance and communications.

**Key benefits to Access Bank:**

- Engaging a new customer segment
- Reduced costs of traditional banking
- Increased deposit mobilisation from the mass retail market
PayWithCapture (PWC) is our flagship mobile payment app that enables individuals make payment for goods and services by scanning a pre-generated QR-Code. Different payment instruments can be linked to the app such as any bank’s card (Master, Visa or Verve), Access Bank account and your mobile wallets. PayWithCapture works offline i.e. if you do not have internet on phone you can still use the app to make a payment. It has further been enhanced for use by customers with basic phones that are not androids or IOS.
The marathon, supported by Access Bank, had over 20,000 participants, from 13 nations. The first marathoner went home with 50,000 dollars, the second place winner carted home 40,000 dollars and third place 30,000 dollars. The 42.195km journey started at 7am, taking runners through the major roads Lagos City, Nigeria.

Abraham Kipton of Kenya was the first to cross the finish line at **2:16:21** with Kipkemboi Hosea (Kenya) and Debebe Tolosa (Kenya) finishing 2nd and 3rd respectively.
Sustainable Societies

Case Study: Access Bank Lagos City Marathon

#RUNLagos

register at
www.lagoscitymarathon.com
## MMP FACT SHEET

<table>
<thead>
<tr>
<th>Launched</th>
<th>Year 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Robust mid-management capacity building with intense world class leadership development program to develop high-potential employees and improve staff performance. In partnership with Wharton Business School, 87 employees spent 6,960 hours building their leadership capabilities in Pennsylvania in 2015.</td>
</tr>
<tr>
<td>Beneficiaries so far</td>
<td>132 employees from Assistant Manager to Deputy General Manager</td>
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<tr>
<td>Training hours so far</td>
<td>10,440 hours</td>
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</tbody>
</table>
| Success Stories | **Impact on bottom line** – The Bank recorded an improved employee productivity with PBT per staff increasing by over 35% from 2014 to 2015.  
**Impact on employee performance** - Over 70% of participants sustained a good performance evidenced by their performance appraisals.  
**Impact on employee engagement** – The Bank recorded a 25% reduction in attrition of middle management between 2014 and 2015. |
Environmental Sustainability

Case Study: Solar-Powered ATMs

Market Context

- **Low/Stagnant ATM Penetration**: The population of ATMs has stayed within the range of about at 11,000 for the past six years, resulting in an average of 11 machines per 100,000 adults, compared to other emerging markets like Indonesia which has 37 ATMs per 100,000 adults, about three times the ATM per adult capita in Nigeria

- **Cost of Banking in Rural Areas**: There is a rising cost of providing banking services to people in rural areas due to limited or unavailability of supporting technical infrastructure

- **Rising energy and electricity costs**: Within the past 5 years, electricity and fuel costs have increased. Further increase in price may be expected following power privatization and the complete removal of oil subsidies

**Opportunity**: To implement solar powered ATMs at select existing and future sites to reduce energy consumption and provide a highly visible marketing message to consumers on Access Bank’s environmental credentials

**Key benefits to Access Bank:**

- **Reduced environmental impact** from using renewable energy to power ATMs

- **Enhanced brand perception** by reinforcing marketing message at a key consumer touch point

- **Increased transactions** on “owned” self-service channels
To meet the financial needs of the large unbanked and under-banked populations, Access Bank has installed 248 solar-powered ATMs largely across semi-urban and rural areas in Nigeria.

These innovative solar powered ATMs help to reduce the Bank’s environmental impact and provide an opportunity to contribute to on-going global efforts on environmentally-friendly practices.
A distinct component of Access Bank’s waste program is the recycling initiative. At Access Bank Plc we care for the environment and we also encourage and engage our staff to protect their environment. We recently initiated a waste recycling program that:
- Encourages and provides a platform for staff to separate waste.
- Train staff on environment protection
- Helps us track our waste

**Opportunity**: To reduce environmental impact by responsibly disposing of waste, reusing and recycling, as applicable

**Key benefits to Access Bank**:
- **Reduced environmental impact** through waste recycling
- **Increasing leadership** positioning on the environment
- **Long term savings** achieved from continuous reuse and recycling
- **Increased developmental impact** through using companies set up to effectively collect the waste and process for recycling

**Actions Taken**
- **Documented end-to-end process** for waste disposal and recycling.
- **Procured and positioned waste recycling bins** within office locations
- **Built and developed partnerships** with waste management authorities, vendors, NGOs and manufacturers with recycling plants
- **Communicate process and change** to employees
The Future We See

Brave New World
- **Setting the pace:** Access Bank becomes one of the first banks in Nigeria to set up a sustainability function and takes the first steps in delivering shared value
- **Select projects:** Delivery of sustainability projects across multiple areas of the bank

Early Regional Leader
- **Nigeria leadership:** Strong conviction has driven a focus on sustainability in Access Bank – resulting in leadership in West Africa

Regional leader

Africa leader

Global leader

Transformational Leader
- **Most respected bank:** Africa’s leading bank on sustainability, helping Access Bank achieve its position of Africa’s most respected bank
- **Visible leadership:** Clear ‘share of voice’ on sustainability issues in Africa through innovative programmes and marketing
- **Innovative products:** New products and services drive shared value and revenues for the bank – and deliver real, measurable benefits for the bank’s stakeholders
- **World class operations:** Sustainability is fully embedded into business as usual with best in class tools and capabilities

Level of Maturity
The Future We See

How Sustainability Impacts Respect for Access Bank

- Minimising Access Bank’s negative environmental impacts and increasing positive impacts
e.g. energy and carbon reduction, paper consumption, water, waste

- Developing the communities where Access Bank operates
e.g. Health, education, women’s empowerment, corporate social investment, employee volunteering

- Delivering a positive economic impact in Access Bank’s markets
e.g. Taxes, investments, economic value created, enterprise development, sustainable procurement, engagement in regulation etc.

- Managing relationships and communications with Access Bank’s key stakeholders and collaborating on issues
e.g. Customer communications, regulator discussions, reporting

- Marketing and promoting Access Bank to positively influence stakeholder perceptions
  - e.g. promoting sustainability impact through advertising, public relations

- Ensuring products and services are attractively priced to reflect the value to the customer and made available to all
e.g. financial inclusion, competitive rates, fees, interest

- Producing innovative, high quality products and services that enable customers to achieve their ambitions
e.g. ‘green’ services, ‘green’ ATMs, effective and fast service

- Ensuring Access Bank is a safe, secure and financially stable enterprise delivering returns to its shareholders
e.g. minimising ESG risks, reducing costs, increasing revenues, building trust

- Operating Access Bank in an ethical manner and in accordance with all laws, regulations and policies
e.g. ESG screening, responsible lending, anti-corruption, ethical conduct

- Ensuring Access Bank has an engaged workforce, with the right values, skills, knowledge and behaviours and a productive workplace
e.g. Training and development, engagement, diversity, talent retention

Access Bank Respect Model is based on Accenture ‘Trust Tower’ and Fortune’s ‘Most Respected Companies’ Methodology
The Future We See

Getting sustainability wrong:

Getting sustainability right:

Impact of strong performance on sustainability issues – each component of respect can be enhanced and ‘grown’ (to differing degrees)
Value Delivery

How sustainability drives value for Access Bank

Increasing Revenues
- New products and services
- Increased customer base through new market segments
- Increased balance sheet
- Greater access to markets through established licence to innovate and grow

Building Intangible Assets
- Improved customer reputation and trust
- Higher brand value
- Higher scorings in sustainability rankings
- Improved employee, stakeholder and regulator relationships
- Winning more sustainability awards

Reducing Costs
- Reduced costs from more efficient operating model
- Reduced resource consumption
- Reduced supplier costs
- Reduced costs of sustainability performance management and reporting through improved technology

Reducing Risks
- Reduced regulatory risks and costs
- Reduced risks of bad loans and reputational costs through ESG failures
- Reduced uncertainty of business risks
- Reduced risk of systemic industry failure
### Key Strategic Implications

<table>
<thead>
<tr>
<th>Implications of strategy</th>
<th>Detail</th>
</tr>
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<tbody>
<tr>
<td><strong>Clear water between competition</strong></td>
<td>Access Bank’s strategy on sustainability is ambitious, inspiring and truly transformational. Pursuing this path will put Access Bank far ahead of its Nigerian competition on the issue. This will drive huge benefits, but may also present some challenges as a first mover.</td>
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<tr>
<td><strong>Access Bank has to keep ‘getting it right’</strong></td>
<td>Such a bold and visible focus on sustainability will result in Access Bank being placed on a pedestal on the continent. The criticality of both ‘getting it right’ and not ‘getting it wrong’ becomes even more important over time.</td>
</tr>
<tr>
<td><strong>Investing for the future – the focus on value</strong></td>
<td>The strategy will deliver both short and long term financial benefits for Access Bank. However, achieving the vision will require investment in some individual opportunities that will not result in a clear return over a 5 year period. Access Bank must continually balance the focus on short and long term value.</td>
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<tr>
<td><strong>The importance of ‘now’</strong></td>
<td>Successful delivery of strategy will position Access Bank as a innovative leader or ‘fast follower’ in every key area of sustainability in banking in Africa. Access Bank has a unique opportunity to drive this strategy now and capture the ‘white space’ – before competitors do.</td>
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THANK YOU