“I still believe sustainability in banking offers the chance to adjust our course and that of our clients towards environmentally friendly and socially acceptable practices in our businesses and operations.”

EMMANUEL IKAZOBOH
Group Chairman, Ecobank Transnational Incorporated (ETI)
“In line with our commitment to environmental sustainability and amelioration of irreversible climate disruption, we are focused on utilizing solar power across our operations to drive resilient growth, planting trees to help reverse deforestation, at the same time mainstreaming climate change risks in order to reduce vulnerabilities while also avoiding investments that could cause greater damage.”

ADE AYEYEMI
Group Chief Executive Officer, Ecobank Transnational Incorporated (ETI)
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The Group Executive Risk Management acknowledges the valuable inputs and generous contributions of all internal and external stakeholders in numerous ways to support the development of the Ecobank Sustainability Report 2019. The Sustainability Report, a flagship disclosure by Ecobank strives toward the attainment of the global agenda, including the Sustainable Development Goals (SDGs) and the Paris Climate Agreement, was prepared under the overall guidance of the Social, Ethics and Reputation Committee (SERC), led by Mrs. Aichatou Pouye, Chairperson of the SERC, with Dr. Catherine Ngahu, Dr. Aasim Qureshi and Ms. Zanele Monnakgotla as Members of the Committee. The Committee exercises oversight on sustainability practices and initiatives in Ecobank. The Committee is assisted by Senior Executives of Ecobank in executing sustainability-related initiatives. The key individuals who led the development and implementation of sustainability initiatives in the Bank, at both the Board and Management levels, are listed in below:

**Eric Odhiambo**  
Group Executive Risk Management & Internal Control

**Mrs. Aichatou Pouye**  
Non-Executive Director of ETI Board & Chairperson, SERC

**Dr. Catherine Ngahu**  
Non-Executive Director of ETI Board & Member, SERC

**Dr. Aasim Qureshi**  
Non-Executive Director of ETI Board & Member, SERC

**Ms. Zanele Monnakgotla**  
Non-Executive Director of ETI Board & Member, SERC

**Mr. Ade Ayeyemi**  
Executive Member of the ETI Board & Group Chief Executive Officer of Ecobank

**Mrs. Josephine Anan-Ankomah**  
Group Executive, Commercial Bank

**Mr. Paul-Harry Aithnard**  
Regional Executive, UEMOA and Managing Director, Ecobank Côte d'Ivoire

**Mr. Ben Andoh**  
Group Head, Internal Control & Conduct, Culture & Ethics Programme

**Mr. Musa Salah**  
Group Manager, Environmental and Sustainability Unit, Group Risk Management/ Secretary, SERC

This report also benefited from the advice and contribution of the following Ecobank colleagues, many of whom are the champions in the implementation of sustainability practices in Ecobank: Carl Manlan (Ecobank Foundation), Serge Messou (ETI-Finance), Osahon Akpata (ETI-Consumer Bank), Rotimi Nihinlola (ETI-Consumer Bank) Christiane Bossom (ETI- Corporate Communications) as well as the Regional/Cluster E&S Coordinators. Finally, we recognise the team at Brand Communications UK for their indispensable support.
Foreword – Sustainability is a common driving force for business and development

I am pleased to present the 2019 Sustainability report, an overview of Ecobank’s corporate sustainability stewardship and the work carried out in 2019, as the Bank strives to stimulate sustainable economic transformation, promote socially responsible banking, drive human capital development and manage natural resources and protect the environment in our business and operations. Under the oversight responsibility of the Social, Ethics and Reputation Committee (SERC) of the ETI Board, the report documents an account of Ecobank’s actions towards delivering on the 2030 Sustainable Development Goals (SDGs).

With a geographic footprint of 33 countries in middle Africa, the Committee recognises the success of Ecobank’s award-winning regional microfinance operations in five countries, namely Nigeria, Ghana, Cameroon, Sierra Leone and Burkina Faso through its microfinance banking subsidiaries and units. It is satisfying to note that Ecobank is consolidating its commitment to scaling up financial inclusion across Africa through digital enablers. This will further drive access to financial services for the underbanked and non-banked communities in Africa.

With the revision of the Ecobank Environmental and Social Risk policy in 2019, I am pleased with the efforts of the Bank in ensuring that its customers are conducting their business in an environmentally friendly and socially acceptable manner, while it is charting forward its corporate sustainability stewardship. In so doing, the Committee will continue to provide the guidance and vision to help in the implementation of the policy.

In 2020, we would work with the Bank to finalize a five year medium-term strategy and roadmap (2020-2024) document that will reflect and summarise the guiding vision and approach on how Ecobank should be perceived externally with respect to moral uprightness, transparency, integrity and credibility. At the same time, we will bolster our knowledge of sustainability with further insights on the role of Bank Directors in addressing the emerging global megatrend (SDGs, Climate Change, Disaster risk reduction and impact etc.), as well as in creating values from the sustainability risk, impact and opportunities.
Ecobank sustainability stewardship

Ecobank remains fully committed to the Sustainable Development Goals (SDGs) and 2030 Agenda, which together have redefined the corporate and public sectors’ collective focus on creating a better world, while also translating global needs and desires into practicable development solutions. In so doing, the Bank is steadfast in enhancing the sustainability and resilience of its business and operations by embedding environmental, social and human rights considerations into its banking and financing products and services to better account for and manage risk and impact. The Bank continues to recognize the interlinkages in integrating economic, social and environmental aspects in the business to enable sustainable development in all its dimensions.

Managing sustainability in Ecobank

Under the auspices of the Social, Ethics and Reputation Committee of the ETI Board and direct management of Group Chief Risk Officer, Ecobank’s commitment towards the achievement of SDGs is aligned to its business interest and focus on areas where the Bank has most comparative strengths. The Bank assesses its progress towards achievement in these areas through implementation reports submitted annually to the United Nations Global Compact and other Environmental, Social and Governance (ESG) frameworks to which it has subscribed. In an interlinkage approach between the SDG targets and Ecobank actions, the Bank focuses its SDGs implementation targets on goals 1, 2, 5, 7, 8, 9, 13, 15 and 17. This is shown in the table below as a map of actions taken by Ecobank towards the achievement of SDGs in the selected focus areas in 2019:

<table>
<thead>
<tr>
<th>SDGs</th>
<th>Target</th>
<th>Ecobank’s Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No Poverty</td>
<td>The Bank contributes to reducing the poverty gap and severity by stimulating investment-led growth in the economic performance of its host countries.</td>
</tr>
<tr>
<td>2</td>
<td>Zero Hunger</td>
<td>Ecobank is actively involved in upstream, mid-stream and down-stream agricultural value-chain activities. The Bank is driving market access efficiency, market supply consistency and market returns improvement through stakeholder partnership collaboration to reduce famine and ultimately eliminate hunger.</td>
</tr>
<tr>
<td>5</td>
<td>Gender Equality</td>
<td>Ecobank has adopted gender mainstreaming as an approach to achieving gender equality in its business and operations. Furthermore, the Bank sanctions all forms of discrimination, particularly those based on gender. In so doing, the Bank has developed innovative solutions to enhance further gender equality and ensure the inclusion of women in the decisions that are shaping the global financial system.</td>
</tr>
<tr>
<td>7</td>
<td>Affordable and Clean Energy</td>
<td>The Bank is retrofitting energy supply for its infrastructure and office equipment to Solar at the same time as encouraging its clients to consider modern low carbon energy sources, such as gas to replace diesel. In line with this, the Bank organises training for its Account Relationship Officers with client interface responsibility to identify and harness opportunities for clean and affordable energy business.</td>
</tr>
<tr>
<td>8</td>
<td>Create Job Opportunities for all</td>
<td>Ecobank is building on its African experience and expertise gained in financing businesses and development activities, including the education sector across its geographic footprint in Africa, with continuous efforts to stimulate job opportunities and management skill development for Africa’s teeming youth.</td>
</tr>
<tr>
<td>9</td>
<td>Industry, Innovation and Infrastructure</td>
<td>The Bank is financing infrastructure development to drive industrialisation and technological innovation in an environmentally friendly, socially acceptable and energy efficient manner. This is in fulfilment of the bank’s commitment to investment in infrastructure development and economic transformation as a key driver of sustainable growth.</td>
</tr>
<tr>
<td>13</td>
<td>Climate Action</td>
<td>The Bank is acting upon the profound linkages between a healthy financial system, transition to a green economy and the pursuit of long-term sustainability to combat global warming and climate change.</td>
</tr>
<tr>
<td>15</td>
<td>Life on Land</td>
<td>Biodiversity (in the Ecobank context) is the variability among living organisms from all sources, including terrestrial, coastal and other marine as well as sensitive ecosystems. The protection and conservation of biodiversity and sustainably living natural resources are integral to the Environmental and Social Risk Management unit within Group Risk Management at the Bank.</td>
</tr>
<tr>
<td>17</td>
<td>Partnerships</td>
<td>Ecobank is working with the United Nations agencies, regional and bi/multilateral development agencies in promoting sustainable development financing.</td>
</tr>
</tbody>
</table>
Ecobank Sustainability Framework

The Bank’s Sustainability Framework, which was developed in 2011, defines its objectives, inspires the strategy and guides the assessment of its journey and adherence to SGDs, the Paris Agreement on Climate Change and the Sendai Framework for Disaster Risk Reduction.

It focuses on four thematic areas that support values and growth, with indicators that can be integrated with Global Reporting Initiative (GRI) standards to outline the Bank’s actions as it strives towards achieving its SGDs focus. The thematic areas of the framework are stimulating sustainable economic transformation; promoting socially responsible banking; driving human capital development; guiding the management of natural resources; and protecting the environment in our business and operations.

The Framework reflects:

• Our stakeholders’ approach to sustainable development;
• Our need to balance profitability with the protection of our planet and the fight against poverty;
• Our serious consideration of the welfare and development of the communities in which we operate; and
• Our consistent factoring of social and environmental concerns into our business operations.

We are constantly exploring innovative ways to drive our business and meet the expectations of our collective stakeholders while charting forward Ecobank’s sustainability stewardship.
CONTRIBUTING TO ECONOMIC TRANSFORMATION

Contributing to Economic Transformation (Tax):

As Ecobank continues to contribute to the economic performance of its host countries through its core competence of banking and finance, the Bank is offering services to the general public and other development organisations through the lending of funds and non-fund based advances. It is also making payments of mandatory levies, including Corporate and Income taxes as revenue to support the national economic growth and meet the financial needs of the economy. Therefore, Ecobank is promoting its positive financial relationship through the economic growth of its host countries.

In the light of the above, at the end of 2019, the Ecobank Group made a Total Tax Contribution (TTC) of US$325 million in the 35 countries in which Ecobank operates. Compared to 2018’s TTC of US$406 million, the TTC decreased by 20% year-on-year. This decrease resulted mainly from the decrease in the Group’s operating income before impairment losses and taxation to US$549 million, compared to US$702 million in 2018.

The breakdown of the Group’s TTC is presented below:

**Tax by Region**

The graph below shows the contribution of each region to the Group TTC in 2019 and 2018.

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>AWA</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>UEMOA</td>
<td>43%</td>
<td>37%</td>
</tr>
<tr>
<td>CESA</td>
<td>29%</td>
<td>36%</td>
</tr>
<tr>
<td>International</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Figure 3: the Ecobank Group Total Tax Contribution in its countries of operation are made up of various taxes, contributions, levies, withholding taxes and fees.

**Taxes by category**

In terms of percentage the largest category of taxes paid in 2018 was consumption tax with 37% (vs 33% in 2018). The largest category of taxes paid in 2019 was consumption tax with 37% (versus 37% in 2018), followed by company income tax with 31% (versus 35% in 2018), people tax with 29% (versus 24% in 2018) and stamp duties with 3% (versus 4% in 2018). The doughnut chart below details our taxes paid.
Taxes by Category

Company Income tax (31%) – Levied on profits, they include both taxes borne (corporation tax and other taxes on turnover) and taxes collected (tax deducted at source including withholding tax on services and interest).

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>% TTC by Tax Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Income Tax</td>
<td>15%</td>
</tr>
<tr>
<td>Others</td>
<td>1%</td>
</tr>
</tbody>
</table>

Corporate Tax Collected

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>% TTC by Tax Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax deducted at source</td>
<td>15%</td>
</tr>
</tbody>
</table>

Total 31%

People taxes (29%) - Withheld on employment earnings, they include income tax, employee social security contribution (SSC) collected through PAYE, employers' social security contributions, payroll taxes and other related contributions.

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>% TTC by Tax Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Tax</td>
<td>1%</td>
</tr>
<tr>
<td>Employer SSC</td>
<td>6%</td>
</tr>
<tr>
<td>Other Employee Cont.</td>
<td>0%</td>
</tr>
</tbody>
</table>

People Tax Collected

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>% TTC by Tax Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAYE</td>
<td>19%</td>
</tr>
<tr>
<td>Employee SSC</td>
<td>3%</td>
</tr>
</tbody>
</table>

Total 29%

Consumption taxes (37%) - Indirect taxes on production and consumption of goods and services, they include value added tax, customs duties, tax on banking activities, tax on money transfers, withholding taxes on imported services, vehicle taxes etc. As an operator in the financial industry, Consumption taxes continue to represent a significant part of the taxes paid/collaected by Ecobank.

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>% TTC by Tax Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irrecoverable VAT</td>
<td>3%</td>
</tr>
<tr>
<td>Reverse VAT</td>
<td>1%</td>
</tr>
<tr>
<td>WHT on imported Services</td>
<td>1%</td>
</tr>
<tr>
<td>Others</td>
<td>4%</td>
</tr>
</tbody>
</table>

Consumption Tax Collected

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>% TTC by Tax Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net VAT</td>
<td>9%</td>
</tr>
<tr>
<td>Tax on Banking Activities</td>
<td>8%</td>
</tr>
<tr>
<td>Tax on Money Transfer</td>
<td>9%</td>
</tr>
<tr>
<td>Others</td>
<td>2%</td>
</tr>
</tbody>
</table>

Total 37%

Property taxes (3%) - Applied on the ownership, sale, transfer or occupation of property, they include business rates, bank levy, stamp duty tax etc.

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>% TTC by Tax Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>2%</td>
</tr>
</tbody>
</table>

Property/Registration Tax Collected

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>% TTC by Tax Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stamp Duty &amp; Patent</td>
<td>%</td>
</tr>
</tbody>
</table>

Total 3%
**Tax borne**

Taxes borne are those taxes which are a cost to the business and which therefore directly affect Ecobank's financial results. They are estimated at US$166 million in 2018 against US$138 million in 2017. The profile for these taxes across Ecobank Group is as presented below:

<table>
<thead>
<tr>
<th>No</th>
<th>Tax Category</th>
<th>Tax Borne 2018 (USD'000)</th>
<th>% Tax Borne 2018</th>
<th>Tax Borne 2017 (USD'000)</th>
<th>% Variation 2018 vs 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Company Income Tax</td>
<td>51,396</td>
<td>48%</td>
<td>86,907</td>
<td>-41%</td>
</tr>
<tr>
<td>2</td>
<td>Reverse VAT</td>
<td>1,785</td>
<td>2%</td>
<td>3,930</td>
<td>-55%</td>
</tr>
<tr>
<td>3</td>
<td>Employers' Social Sec. Cont.</td>
<td>19,170</td>
<td>18%</td>
<td>16,898</td>
<td>13%</td>
</tr>
<tr>
<td>4</td>
<td>Non-Deductible VAT</td>
<td>9,095</td>
<td>8%</td>
<td>6,085</td>
<td>49%</td>
</tr>
<tr>
<td>5</td>
<td>Other Employer Contributions</td>
<td>696</td>
<td>1%</td>
<td>1,696</td>
<td>-59%</td>
</tr>
<tr>
<td>6</td>
<td>Payroll Tax</td>
<td>2,562</td>
<td>2%</td>
<td>3,000</td>
<td>15%</td>
</tr>
<tr>
<td>7</td>
<td>Wht On Imported Services</td>
<td>2,380</td>
<td>2%</td>
<td>3,775</td>
<td>37%</td>
</tr>
<tr>
<td>8</td>
<td>Real Estate Tax</td>
<td>1,126</td>
<td>1%</td>
<td>1,192</td>
<td>-6%</td>
</tr>
<tr>
<td>9</td>
<td>Others</td>
<td>19,694</td>
<td>18%</td>
<td>42,235</td>
<td>-53%</td>
</tr>
</tbody>
</table>

**Total** 107,904 100% 165,719 -35%

**Tax collected**

Taxes collected are those taxes that Ecobank collects and administers on behalf of governments, and which are generated as a result of Ecobank's activities. Taxes collected are not a cost to Ecobank (other than the administration costs) and do not directly affect Ecobank's results. Taxes collected in 2019 are estimated at US$217 million, against US$240 million in 2018. The profile of these taxes across Ecobank affiliates is presented below:

<table>
<thead>
<tr>
<th>No</th>
<th>Tax Profile/Category</th>
<th>Tax Collected 2019 (USD'000)</th>
<th>% Tax Collected 2019</th>
<th>Tax Collected 2018 (USD'000)</th>
<th>% Variation 2018 vs 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pay Roll Tax</td>
<td>61,506</td>
<td>28%</td>
<td>60,865</td>
<td>1%</td>
</tr>
<tr>
<td>2</td>
<td>Tax Deducted At Source</td>
<td>47,975</td>
<td>22%</td>
<td>55,513</td>
<td>-14%</td>
</tr>
<tr>
<td>3</td>
<td>Tob/Taf</td>
<td>30,588</td>
<td>14%</td>
<td>33,642</td>
<td>-9%</td>
</tr>
<tr>
<td>4</td>
<td>Net Vat</td>
<td>28,503</td>
<td>13%</td>
<td>27,744</td>
<td>3%</td>
</tr>
<tr>
<td>5</td>
<td>Tax On Money Transfers</td>
<td>25,308</td>
<td>12%</td>
<td>34,582</td>
<td>-27%</td>
</tr>
<tr>
<td>6</td>
<td>Employees' Social Sec.Cont.</td>
<td>9,456</td>
<td>4%</td>
<td>11,538</td>
<td>-18%</td>
</tr>
<tr>
<td>7</td>
<td>Stamp Duty</td>
<td>1,027</td>
<td>0%</td>
<td>880</td>
<td>17%</td>
</tr>
<tr>
<td>8</td>
<td>Others</td>
<td>12,264</td>
<td>6%</td>
<td>15,195</td>
<td>-19%</td>
</tr>
</tbody>
</table>

**Total** 216,597 100% 239,958 -10%
Value Added

Value Added is a measure of the economic value contributed by an economic entity. During the year 2019, Ecobank Group contributed a total amount of US$1.7 billion (versus US$1.7 billion in 2018). The financing cost stands as the highest beneficiary of value added (40%). The details of the value added are showed below:

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Base</th>
<th>Value Added (USD’000)</th>
<th>% Value Added 2019</th>
<th>% Value Added 2018</th>
<th>% Variation 2019 vs 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers funds</td>
<td>Financing Interest</td>
<td>662,269</td>
<td>40%</td>
<td>598,650</td>
<td>11%</td>
</tr>
<tr>
<td>Shareholders/Reinv.</td>
<td>Profit After Tax</td>
<td>270,214</td>
<td>16%</td>
<td>248,379</td>
<td>9%</td>
</tr>
<tr>
<td>Employees</td>
<td>Net Salaries</td>
<td>395,725</td>
<td>24%</td>
<td>416,926</td>
<td>-5%</td>
</tr>
<tr>
<td>Government</td>
<td>Tax Borne</td>
<td>107,904</td>
<td>7%</td>
<td>165,719</td>
<td>-35%</td>
</tr>
<tr>
<td>Government</td>
<td>Tax Collected</td>
<td>216,597</td>
<td>13%</td>
<td>239,958</td>
<td>-10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,652,709</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,669,632</strong></td>
<td><strong>-1%</strong></td>
</tr>
</tbody>
</table>

Ecobank Value Added 2019

The value added was distributed as follows:
- Suppliers of Funds: 42%
- Shareholders/Reinv: 6%
- Employees: 23%
- Government: 17%
- Other sources: 6%
Impacting Sustainability in our Consumer Banking:

In 2019, we broadened our mobile banking offering, releasing a new version of the Ecobank Mobile App, our flagship mobile banking channel, with additional features and improved user experience. Registered users grew 25% to almost 11 million and $3 million transactions worth $6.4 billion were processed via Ecobank Mobile. The Bank continues to offer instant digital account opening, fund transfers domestically and to 33 African countries and the issuance of virtual cards via digital platform without travelling to a branch or using paper. We also introduced our virtual chatbot, Rafiki on both Facebook Messenger and WhatsApp, to provide additional convenience for our mobile banking users.

In some cases, such as with cash deposits and withdrawals, customers need to interact with a physical touchpoint and we introduced XpressPoints, our agency banking channel so that they may be served in the neighbourhoods where they work and live. We expanded our agency banking network by 187% to almost 40,000 locations in 2019 and processed 2.1 million transactions worth $1.7 billion, while saving consumers time and transportation costs. We also broadened the services available on this platform from simple cash deposits and withdrawals to include remittances, bill payment, digital account opening and more. The network of small and large merchants accepting EcobankPay, an instant digital push payment solution increased to over 182,000 businesses.

We launched Xpress Loan, a digital-only loan in collaboration with MTN and a fintech partner in Ghana this year. The model leverages fintech digital credit scoring expertise and the reach of mobile network operators in collaboration with a bank and is very successful in meeting the growing demand for microloans across sub-Saharan Africa. We disbursed over $125 million of loans to 940,000 mobile money wallet holders in the first six months, all digitally without any paper forms or visits to branches and will be rolling this product out to additional markets in 2020.

Socially responsible banking

Ecobank’s socially responsible banking is a thoughtful banking practice that aligns with individual and society’s morals. The main intent is to offer banking services that can do more than just generate returns for the shareholders. In essence, the banking activities also create a positive impact in the host community. It includes microfinance, banking support to women development, Corporate Social Responsibility (CSR) in Ecobank Foundation, Sustainability award competition as well as Ecobank Day volunteerism.

6.1 Ecobank Financial Inclusion - leveraging digital platforms and partnerships for banking the unbanked

Digital micro savings and loans - Ecobank remains in the forefront of expanding access to mainstream financial services for millions of unbanked Africans. Following years of successful and award-winning regional microfinance operations in five countries, namely Nigeria, Ghana, Cameroon, Sierra Leone and Burkina Faso, through its microfinance banking subsidiaries and units Ecobank is consolidating its commitment to scaling up financial inclusion across Africa through digital enablers. Ecobank has developed and is now rolling out its bespoke micro-savings product (Xpress Save) and microloans product (Xpress Loans) across Africa as part of its unparalleled ambition of bringing financial services to 100 million Africans in the medium term. These products are fully digital, self-service, simple, affordable, accessible 24/7, layered on KYC-lite digital account type and delivered on all mobile phone types including feature phones mostly used by a large portion of the target population. The products were designed to overcome the barriers typically faced by the unbanked in accessing banking services and are variants of the award-winning Quick Save and Quick Loans launched by our Ghana microfinance subsidiary.

Leveraging partnerships - To achieve scale and accelerated reach of the target market in line with its medium term 100 million customers ambition, Ecobank has adopted an ecosystem approach by entering into landmark regional partnerships with some of the leading regional mobile phone operators (MNOs), including MTN and Airtel. Other key ecosystem parties working with the Bank include leaders in financial technology services including Jumbo, Channel VAS and Comviva. With key enablers in place the Bank is consolidating to lead efforts in deepening financial inclusion in sub-Saharan Africa, thereby unlocking the potential of the informal sector for the development of African economies.

Early impact and the big bang in the horizon - the potential of digital financial services for high commercial and social impact is evident in our digital micro-lending operation launched in Ghana in May 2019, in partnership with Jumbo and MTN. In the seven months ending 31 December 2019, the Bank disbursed over $150 million in micro loans, with an average loan amount of $54, to 1 million new customers many of which were previously financially excluded. In the course of 2020 the plan is to scale-up the impact significantly by offering these products in other markets, including Nigeria, Côte d’Ivoire, Cameroon, Burkina Faso, Uganda and Kenya, as part of the Bank’s overall strategy to drive financial inclusion and make full banking truly accessible to all in sub-Saharan Africa. Xpress Save and Xpress Loan are designed to stimulate micro savings in the economy and at the same time expand access for eligible customers to obtain short term micro credit loans to bridge cashflow gaps, thus contributing to efforts to deepen financial inclusion.

6.2 Ecobank Foundation The Foundation is strengthening internal partnerships with the Ecobank Academy and business segments in order to collaborate with external partners. By the end of 2020, the Foundation intends to enable Ecobank to contribute to Africa’s transformation through all the different capabilities of the Bank. Health, education and financial inclusion are the vehicles used by the Foundation to address life-threatening diseases and achieve positive sustainable social change in Africa. In 2016, the Foundation’s strategy
created a mechanism to collaborate internally and externally for the transformation of Africa. That was evident in the shift towards capacity development and financial services for development. Fast track to 2018, we have made progress in linking our core capabilities to strengthening health systems and communities. In doing so, within our focus on health, education and financial inclusion, we established new partnerships and strengthened our ongoing collaborative initiatives, with examples being our partnership with the International Federation of Red Cross and Red Crescent Societies (IFRC) and our collaboration with the Global Fund.

In partnering with IFRC, we have agreed to collaborate in empowering the local communities to cope with disasters in a more efficient manner. This is to ensure that IFRC and Ecobank build their community engagement on their own core capabilities. Through the partnership, Ecobank is supporting employee volunteering and employee giving to support communities in the countries where we operate. In this regard, Ecobank is partnering with National Red Cross and Red Crescent Societies in Africa in fundraising to support local first aid volunteers, using the Ecobank Mobile App platform with a unique QR code. The Foundation and the Ecobank Academy are jointly committed to supporting the training and development of IFRC staff through the development of customised programmes based on the needs of National Societies in collaboration with IFRC Africa. Our partnership with the Global Fund evolved with the Ecobank Academy's design and implementation of the training component of the Global Fund grant. Ecobank Academy's staff and faculty facilitated and delivered training on fund management at the Pan African Centre, Lomé, Togo, to 48 Finance Managers of the Global Fund beneficiary organisations from 16 African countries (Cameroon, Chad, Central African Republic, Côte d'Ivoire, eSwatini, Guinea, Kenya, Lesotho, Liberia, Namibia, Niger, Senegal, Sierra Leone, The Gambia, Togo and Zambia). The blended programme strengthens skills in leadership, financial management and strategy execution to finance managers of health programmes. Working with finance managers allows us to strengthen our own understanding of health programmes. The strength of the internal collaboration is that we can support development organisations through Ecobank's core capabilities.

Aligned with the Bank's mission and vision, the Ecobank Academy and the Ecobank Foundation continue to expand capability building work with the development organisations – including the African Union, Global Fund, IFRC and some of the UN agencies.

A snapshot of how the Academy and Foundation are Transforming the Continent by Empowering the African Youth and Entrepreneurs:

In collaboration with Ecobank's business and regions, we are supporting the social-economic development agenda of the continent. Below is a sample list of initiatives that the Academy and the Foundation have embarked upon in 2019:

a. Following the launch of the African Union’s Chairperson initiative targeting youth, named 1 Million African Youth By 2021, our Ecobank Group CEO pledged to use the Ecobank Academy to provide the support needed to beneficially impact as many youths as possible.

b. Another notable example of how the Academy and the Foundation continue to expand their work is on the Bank’s mentoring programmes targeting young Togolese Social Entrepreneurs. This programme is delivered within the framework of a partnership between the Togolese Government, the US Embassy in Togo and Ecobank Group, and its expected outcomes are the creation of a healthy pipeline of early-stage businesses for the commercial segment, as well as developing internal staff leadership skills and finally impacting the Togolese youth.

c. The Ecobank Academy hosted the inaugural session targeting 100,000 African Entrepreneurs SMEs.

d. The Ecobank Academy, the Ecobank Foundation and Ecobank Consumer Bank have partnered with the African Union Youth Division to run a Leadership Development programme in Cairo, Egypt, and a Design workshop for African Youth Mental Awareness Programme in Accra, Ghana. Both sessions had representatives from all 55-member states of the African Union.

In 2020, the Ecobank Academy will work closely with the businesses to design the Africa SME development toolkit(s). The toolkit(s) will bring innovation into how financial management, business acumen, controls and risk, strategy execution, governance and leadership development are deployed in a variety of ways to reach as many entrepreneurs as possible.

A training session organised by Ecobank Academy for the financial managers of Global Fund.
Financing for Gender Empowerment

Ecobank is committed to creating a financial environment which supports the attainment of the Sustainable Development Goal 5 - Gender Equality (SDG5). We believe that women and girls’ empowerment is critical to expanding economic growth and promoting social cohesion. Our commitment to SDG5 was made evident during the 2019 Global Gender Summit in Kigali, Rwanda, where Ecobank signed up to the African Development Bank’s (AfDB) Affirmative Finance Action for Women in Africa (AFWA) programme. AFWA is the AfDB flagship gender-focused programme that seeks to accelerate growth and employment creation across African economies, by closing the financing gap for women. Speaking at a panel discussion at the Summit, the Ecobank Group Executive for Commercial Bank, Josephine Anan-Ankomah emphasised the Bank’s desire to see a society where women can reach their full potential and play a much greater role in business. In signing up to the programme, Ecobank reaffirmed its commitment to raising greater awareness of women’s economic empowerment and supporting the inclusion of women in financial decision making in a way that will better respond to women’s needs and promote gender equality. Furthermore, as an institution, the Ecobank Group promotes diversity and inclusion. The diversity of our workforce not only enriches our members’ work experience, but also contributes to the profitability of the Bank. By fostering an atmosphere of acceptance and support, the Bank is able to add value and appreciate the strengths and organisational contribution of each employee. Our Equal Opportunities Policy applies to all employees and compliance to this policy is mandatory. Josephine Anan-Ankomah added that the Bank is making strides in terms of gender parity. Ecobank’s women’s agenda is in line with the African Union’s principle of gender parity (50/50). In 2019, we made progress towards this goal by increasing the representation of women at Ecobank to 46% from 43%, with 30% of them being in management/leadership positions. We are committed to the African Union’s 50/50 gender parity goal and believe we will achieve it. It is the right thing to do for our business and for the continent.

Group Chairman Sustainability Award (GCSA)

The inaugural 2018 GCSA was held during the ETI Annual General Meeting in April 2019, where Ecobank Ghana emerged as the ultimate winner. The award competition aims at rewarding affiliates, which successfully combine innovation and climate change viability with outstanding economic, social and environmental business performances. It is contributing to inspiring Ecobank operations and businesses to carry out their activities in a more environmentally friendly and socially acceptable manner, while at the same time, charting forward the Ecobank corporate sustainability stewardship.

Below are the photo captions from the Sustainability Award dinner held at the Pan African Conference Centre at ETI, Lomé, on Wednesday, 24 April 2019 on the eve of the Annual General Meeting of ETI.

Samuel Adjei (left), the Honorary Sustainability Champion

Daniel Sackey (left), Managing Director of Ecobank Ghana, winner of the 2018 Sustainability Award
Cross-section of participants at the Sustainability Award dinner

Ade Ayeyemi, Group CEO, addressing the Sustainability Award dinner

Eric Odhiambo, Group Chief Risk Officer, giving a vote of thanks

Cross-section of participants at the Sustainability Award dinner
Ecobank Day 2019 - Creating awareness on the prevention of Non-Communicable Diseases

Non-Communicable Diseases (NCDs) account for over 70% of deaths worldwide. More than three quarters of deaths from NCDs occur in low and middle-income countries. Ecobank is committed to better addressing the challenges facing the continent, with the aim of contributing to Africa’s transformation.

Over the next three years, Ecobank has decided to support the awareness and prevention of NCDs via the campaign « Together for Better Health » through its annual programme: Ecobank Day. Ecobank Day is an opportunity for the Bank and its 16,000 staff across 33 countries in Africa to give back to communities. The 7th edition of Ecobank Day was held in 2019.

Ade Ayeyemi: “This year and for the next three years, our staff asked that we put emphasis on Non-Communicable Diseases (NCDs) which are affecting a large number of families in our communities. NCDs are preventable or manageable if diagnosed early. However, with late diagnosis or a poor treatment follow-up, NCDs can negatively impact the quality of life.”

Alongside health authorities, international and civil society organisations in our countries, Ecobank is raising awareness and carrying out screening activities. Several Ecobank affiliates took part in 5 km walks to encourage communities to exercise regularly. Free NCD screenings were offered to support access to quality health. Conferences took place in some countries to create awareness on NCDs. Ecobank employees also raised funds to support free NCD screening and treatment.

This was just the beginning of our commitment to take a stand against NCDs and come Together for Better Health. Below are photos of the event from across the Ecobank Group to commemorate the NCD awareness campaign.
ETI donations in 2019

<table>
<thead>
<tr>
<th>Donation type</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>250,000</td>
</tr>
<tr>
<td>Training delivered through Ecobank Academy</td>
<td>250,000</td>
</tr>
<tr>
<td>In-kind contribution</td>
<td>500,000</td>
</tr>
<tr>
<td></td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

Note: The $1 million of donations were made to the Global Fund.
**Sustainability Path**

Non-Communicable Diseases (NCD’s) account for over 70% in Ecobank, our sustainability path is an active maintenance of the balance between the banking business and socio-economic and environmental gains. It is a dynamic process that is adaptable to the new realities. It also includes knowledge sharing and information exchange to create a better sustainability practice, adoption of appropriate sustainability practices as well as the Bank striding towards environmental and social risk management.

**Thought Leadership**

Ecobank at the Side event on Financial Inclusion at the 74th United Nations General Assembly - On 24th September 2019, Mr. Dan Sackey, Regional Executive for AWA and Managing Director of Ecobank Ghana, attended a United Nations Capital Development Fund (UNCDF) side event on Building Partnership for Inclusive Digital Economies, during the 74th UN General Assembly at the UN Secretariat, New York, USA. The event offered a platform for the panellists to discuss how to promote financial inclusion as an enabler to attaining the 2030 Sustainable Development Goals (SDGs). Mr. Sackey articulated the linkages of financial inclusion to the goals 1, 2, 3, 4, 5, 8, 9 and 10. He also cited practical examples in Ecobank to demonstrate how Ecobank has been leveraging collaborative partnerships in driving the Bank’s initiatives on the SDGs.

**Environmental Awareness Campaign**

- **Plastic Waste for Cash Initiative in Ecobank Nigeria (ENG)**

The Green Award-winning Plastic Waste for Cash is an initiative of ENG implemented in collaboration with the Lagos State Ministry of Environment and the Lagos Waste Management Authority (LAWMA). It aimed at improving environmental sustainability and community health development in Lagos, by rewarding low income residents for every plastic bottle picked from the street. As of June 30, ENG’s initiative had stimulated the collection of about 1.3 million plastic bottles, which have been deposited at a landfill in Lagos earmarked for recycling. The collectors are incentivised with N30 (Thirty Naira) for every Kilogramme (kg) of plastic bottles picked, hence the Bank earmarked N3 million as rewards for the collection of four million plastic bottles.

**Ecobank Solar Plant**

Under the auspices of the Group Executive Operations and Technology, Ecobank, a state of the arts solar energy retrofitting project is being implemented across the Group with a pilot phase in a number of Ecobank buildings in Benin, Côte d’Ivoire, Ghana, Senegal and Togo.

At the Ecobank Headquarters in Togo, a set of 1,728 panels with nine Inverters of 75w/hour that produce a total of 630 kw/h (peak) have been installed to generate the daytime power requirements for the entire Pan African Centre. This will reduce the grid power consumption from Togo electricity at the Centre by nearly 50% during the day. It will also contribute to reducing CO2 emissions, thereby further shrinking the organisation’s carbon footprint.

Furthermore, ETI is poised to channel the excess power being generated by the solar at the weekend and on holidays to supplement power consumption by the security agencies in Lomé, Togo. This means that the installation of solar retrofitting technology at the headquarters of Ecobank in Lomé is helping to save costs, stimulating the adoption of renewable energy, positioning the Bank as an environmentally friendly institution as well as offering an opportunity to chart forward the Bank’s corporate social stewardship.
Environmental and Social (E&S) Risk.

Under the overall management and leadership of the Group Chief Risk Officer, the Environment and Sustainability (E&S) Unit, including the environment and social risk in the Group Risk Management, are responsible for managing the Bank’s efforts towards the attainment of environmental sustainability and socially acceptable tenets of the United Nations Sustainable Development Goals (SDGs). The E&S unit has direct responsibility for the implementation of Ecobank’s Environmental and Social Risk policy. In so doing, the unit works to ensure that all businesses of the Bank are carried out in environmentally friendly and socially acceptable manners, and at the same time, works with the business segments in ensuring that borrowing clients are conducting their businesses in a manner that enhances sustainability stewardship. In this regard, the unit is reviewing and managing the Bank’s business and operations for potential environmental and social risks and impacts, particularly for transactions in the environmental and socially sensitive sectors, such as oil and gas, mining, heavy construction, agriculture and agro-forestry, as well as manufacturing.

In carrying out its objectives, E&S management in Ecobank comprises a three-pronged approach. Starting with the relationship managers in the businesses, who are required to take a proactive role in driving E&S risk procedures by screening and classifying eligible transactions for E&S risk categorisation. The second layer is the Country Risk team with oversight role for ensuring adherence to the Ecobank E&S policy procedures for transactions rated as Low, Medium B and Medium A categories on Ecobank E&S risk classification. At the third layer is the Group E&S unit with overarching responsibility to ensure that the E&S risk procedures are duly performed for all eligible transactions, irrespective of the classification category. The Group E&S Manager works with Country Risk team in ensuring that satisfactory evidence of the clients’ E&S practices is obtained and properly documented for reviews.

Environmental & Social Management System - Key procedures in the Group’s Environmental & Social Management System are:

- Screening transactions against Exclusion List activities
- Reviewing transactions for E&S risks in accordance with E&S sector guidelines
- Verifying transactions for potential E&S risk identification
- Classifying transactions for E&S risk into Low, Medium B, Medium A and High
- For E&S low risk transactions, the Relationship Officer (RO) will sign off the Environmental and Social Due Diligence (ESDD) forms to be verified by the Country Risk Manager (CRM)
- For all Medium B, Medium A & High-risk transactions, detailed ESDD is required (RO and CRMs will sign-off all Medium risk rated transactions to be verified by the Group Manager for E&S).

As indicated in the figure below and in line with the Ecobank E&S Policy, the Bank screens, classifies, assesses, formulates and monitors transactions in sectors with significant E&S risks. Our goal is to maintain E&S risk levels within acceptable internal and external limits. E&S conditions and action plans are captured as covenants in credit applications and periodic monitoring is carried out as indicated in the facility agreement.
The sequence of ESRM procedures in Ecobank was developed on the basis of the Bank’s engagement with the IFC Performance Standards as well as its association with other financial institutions on their interpretation of environmental and social management as related to the credit review process. Furthermore, the Group puts together all the membership and obligatory E&S related reports by its lenders such as IFC and the ESG frameworks it has subscribed, including the Equator Principles and the United Nations Global Compact.

It is worthy to note that Ecobank environmental sustainability and social responsibility practices continued to complement businesses, as a unique value addition proposition to clients, particularly in the FI/IO unit. The ESRM process has been reviewed by external parties including FMO and Arise Invest, both the lender and the ETI shareholder deemed the process satisfactory. Similarly, IFC conducted a review of ESRM in Ecobank Ghana in February and found the process satisfactory. Again, in March, FMO carried out an ESRM review of Ecobank Nigeria and the outcome was satisfactory as well.

E&S portfolio review - As of 31 December, 2019, Group E&S management handled a total of 972 transactions in sectors with significant E&S risks, such as extractive industry activities, mid & downstream oil and gas, heavy infrastructure construction, manufacturing, power generation/transmission/distribution and commercial real estate. The combined exposures to transactions in the severe (Medium B) and more severe (Medium A) E&S categories stood at $54. Furthermore, a total of 429 screened transactions in 2019, were in the Low E&S risk category. The Low risk category signifies that the qualifying transactions pose less severe with negligible impact on the aesthetic quality of Environmental and Social standards. The table below presents an illustration of E&S eligible transactions in various categories as of December 2019:

<table>
<thead>
<tr>
<th>2019 E&amp;S Risk Categorisation</th>
<th>No of Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Risk</td>
<td>9</td>
</tr>
<tr>
<td>Medium A Risk</td>
<td>219</td>
</tr>
<tr>
<td>Medium B Risk</td>
<td>315</td>
</tr>
<tr>
<td>Low Risk</td>
<td>429</td>
</tr>
</tbody>
</table>

Figure 27. Transactions Managed for ESRM
Analysis of E&S risk eligible transactions - As at December 2019, a total of 972 transactions in the E&S sensitive sectors were reported and managed for E&S risks and impacts at the Group level. The AWA Region, as presented in the chart below, had the largest number of transactions managed for E&S (344 transactions), whilst the Nigeria region had the least number of transactions (183 transactions). A further analysis of the transactions according to the severity of E&S risks and impacts revealed that 534 qualifying transactions, which corresponded to 54.9% are in the combined Medium B & A categories in the Ecobank E&S risk classification.

The large concentration of E&S eligible transactions in the AWA region reflects a positive correlation between the volume and market viability. It reinforces the market size of affiliates in the region, and the scope, volume and values of the qualifying transactions. In essence, the concentration also connotes the need for enhanced monitoring of the qualifying transactions to encourage compliance with the E&S standards in the region that will ultimately help shape practices to reduce the stark gaps in E&S outcomes observed during the portfolio review visits. Compliance is among the most important conditions of ESMS and a critically significant aspect of the implementation process, which as a Bank we need to improve.

In the light of the above, the concentration of qualifying transactions in the combined Medium category further implies that Ecobank’s exposure to E&S risk transactions remains in a stable position within the management containment limit.

Capacity building - ESRM is gaining appreciation in Ecobank as a key emerging risk and the Group E&S unit continues to create knowledge and stimulate awareness about ESRM. In 2019, direct training workshops on the implementation of ESRM in Ecobank was organised for staff in Ecobank Rwanda, Ecobank Burkina Faso, Ecobank Malawi, Ecobank Mozambique, Ecobank Nigeria and Ecobank Gabon. 128 staff participated in face-to-face training workshops in six Ecobank affiliates. Another 1,000 staff participated in the comprehensive online ESRM training delivered via the Ecobank Virtual Banking Institute (VBI).

In the same vein, following the revision of Group E&S reporting procedures in the previous year (2018), which included the designation of Ecobank affiliates into High and Medium levels for Ecobank E&S risk classification. In High E&S designated affiliates, E&S risk eligible transactions with a value of ≥US$5M and tenor of ≥24 months are to be presented to the Group office for review. This empowers the Country Risk Management team and Regional E&S risk coordinators to review and manage transactions below these thresholds. In Medium designated affiliates, E&S risk eligible transactions with a total value of ≥US$2M with tenor between 12 months to 24 months are to be presented to the Group E&S unit for a detailed monthly review and monitoring oversight. Subsequently, the organogram structure of Group E&S has also been enhanced in 2019 with the creation of E&S coordinators in the Corporate and Investment Banking (CIB) and the Commercial Banking (CMB) business segments.
Updated E&S Policy - In 2019, the updated E&S policy and procedure manual was presented and approved by the ETI Board. The updated policy is an amendment of the E&S policy approved by the ETI Board in 2014. It realigned the E&S risk classification into three categories, namely Low, Medium and High risk from the previous four classification categories (Low, Medium B, Medium A, and High). The updated E&S Policy will continue to promote and ensure sound environmental and socially responsible banking across Ecobank by:

- Identifying and managing the E&S risk in credit transactions;
- Transforming environmental and social risk into opportunities through the application of E&S Assessment and E&S Due Diligence that adds value to our clients, whilst providing sustainable competitive advantage for the Bank, where possible;
- Supporting our clients to conduct their business in environmentally friendly and socially acceptable manners, while helping Ecobank to chart forward its corporate sustainability stewardship;
- Building skills in environmental and social risk analysis and management, while grooming knowledgeable managers across the Group in this regard; and
- Achieving superior shareholder performance through better environmental and social operations.
Revision of the Environmental and Social Risk Policy.

Since the E&S policy was approved in 2014, new ESRM issues are emerging, such as those associated with agri-input financing (e.g. fertiliser and storage facility) and labour abuse in the project financed and/or project related corporate financed transactions, which continued to pose unanticipated challenges in the implementation of ESRM with potential financial loss to the Bank. Furthermore, the Group has grown significantly, rendering the existing policy inadequate in the light of emerging environmental and social risk issues. Consequently, the E&S policy was revised, presented to the ETI Board and was approved in November 2019.

Major enhancements to the new Policy included the contracted eligibility categories from Low, Medium B, Medium A and High to Low, Medium and High. The revised categories are defined below:

• Low: Transactions that carry minimal or no environmental or social impact.

• Medium: Transactions with potential adverse social and/or environmental impact that are generally beyond the site boundaries, largely reversible and readily addressed through relevant mitigation measures.

• High: Transactions with potential significant adverse social and/or environmental impact that are diverse, irreversible or unprecedented.

New Signatory and Accreditation:

Green Climate Fund (GCF) - In further recognition of Ecobank leadership in Environmental and Social Risk Management (ESRM) Ecobank Ghana is accredited to the GCF. The decision was unanimously approved by the GCF board following the recommendation of the Accreditation Panel of Experts. Ecobank Ghana is the first entity in Ghana and the first commercial bank in sub-Saharan Africa to be accredited to the Fund. 88 entities had so far been accredited to the GCF as at 31 July 2019.

Benefits of the Green Climate Fund Accreditation to Ecobank Ghana include:

• Positioning Ecobank Ghana as a thought leader in the wider Climate Action community and at the forefront of environmental initiatives and solutions.

• Direct access to funding for the financing of climate change mitigation and adaptation projects.

• Receiving grants for capacity building.

The Green Climate Fund is a new global fund created to support the efforts of developing countries to respond to the challenge of climate change. GCF helps developing countries to limit or reduce their greenhouse gas emissions and adapt to climate change. It seeks to promote a paradigm shift to low-emission and climate-resilient development, considering the needs of nations that are particularly vulnerable to climate change impacts.

GCF’s activities are aligned with the priorities of developing countries through the principle of country ownership, and the Fund was established in 2014 mainly through the mobilisation and pledges from developed countries. The Fund pays specific attention to the needs of societies that are highly vulnerable to the effects of climate change in developing countries. The investments of the Fund are mainly in the form of grants, loans, equity or guarantees and the funding is project specific. Ecobank Ghana has been accredited for on-lending to beneficiaries.
Ecobank signs up to UNEP FI
Principles for Responsible Banking-

In November 2019 ETI become an official Signatory to the UN Principles for Responsible Banking: a single framework for a sustainable banking industry developed through an innovative partnership between banks worldwide and United Nations Environment Programmes Finance Initiative (UNEP FI).

The six Principles for Responsible Banking align the banking sector with the objectives of the UN Sustainable Development Goals and the 2015 Paris Climate Agreement. They embed sustainability across all business areas and enable banks to identify where they can make the most impact to the sustainable development of economies and the world. The Principles aim to create a financial sector that serves people and the planet while delivering positive impacts and improving people’s quality of life, without compromising that of future generations.

Mr. Ade Ayeyemi, Group CEO of Ecobank, said: “At Ecobank we take our sustainability responsibilities seriously by continuously ensuring that sustainable practices are established throughout our decision making, management, business activities and organisation. Along with our customer-centric focus and intent to be a trusted adviser, we take a proactive leadership role in sustainability and our decisions and actions always take account of society’s goals and Africa’s future generations. By subscribing to the six Principles for Responsible Banking we are publicly declaring that we follow the best-in-class sustainability practices that have been adopted by major global banks.”

Members of the banking industry of UNEP FI have developed the six Principles of Responsible Banking to refine the business and Environmental, Social and Governance practices in the banking industry. The Principles guide banks in their sustainability stewardship and challenge them to continuously increase their contribution towards a sustainable future.

Ecobank has been a signatory to the UNEP FI since 2009. The Initiative has 274 financial institution members from the banking, insurance and investment industries. Ecobank also serves on the Global Steering Committee (GSC) of UNEP FI.

The major highlights of the E&S for 2019 are presented below:

The major highlights of the E&S activities in 2019

- ETI Signs up to UNEP FI PRB
- Ecobank Ghana Accredited for Green Climate Fund
- Updated E&S Policy Approved by the ETI Board
- Enhanced E&S Organogram
- 972 transactions managed for E&S Risk
- Face to face training for 108 staff and virtual online training for 1,000
- Panel discussant at the 2019 IFC Sustainability Exchange, Senegal
- Resource Person - 2019 World Material Forum, France
- Resource Person - 2019 World Material Forum, France

Figure 30: Major highlights of E&S activities in 2019
Affiliation with Environment, Social and Governance (ESG) Frameworks:

As the urgent need for stronger partnership on the implementation of ESG initiatives becomes more widely understood, FIs are digging deep into their toolboxes for policies and measures that address both the ESG commitment and protect their business interests.

United Nations Environment Program Finance Initiative

Ecobank remains an active member of UNEP FI and a signatory to the UNEP FI Statements of Commitment by Financial Institutions on Sustainable Development to develop and promote financing for sustainable development and an inclusive green economy. Ecobank is serving on the UNEP FI Global Steering Committee and the Bank is also a working member of the UNEP FI African Task Force (‘ATF’) supporting the UNEP FI secretariat activities in countries across the Bank’s geographic footprint.

Also, in developing the capacity needed for environmental and social analysis, selected Ecobank staff participated in an online training course on Environmental and Social Risk Analysis (ESRA), which was organised by UNEP FI. ESRA online course provided in-depth personalised training and facilitated debates. Ecobank participants were involved in a range of activities, from simulating implementation of environmental and social policies guidelines and case studies analyses, to carrying out exercises based on their own experience with clients’ environmental and social impacts.

The online courses taught participants how to include environmental and social variables in the traditional analysis made by financial analysts when making lending and/or investment decisions. Each course is made up of five consecutive modules:

• Introduction to Sustainable Finance
• Identification of Environmental and Social Risks
• Categorisation
• Evaluation of Environmental and Social Risks
• Administration of Environmental and Social Risks.

Ecobank participation in this fee-paying training further underscores its strong commitment to environmental sustainability in its operations. The participants gain enhanced knowledge necessary to provide guidance in ensuring that businesses are compliant to E&S standards.

International Finance Corporation (IFC) Performance Standards on Environmental and Social Management.

In line with the IFC contractual obligations, all the conditions related to the Environmental and Social Management System (ESMS) have been met. Relevant Ecobank affiliates with direct IFC investments have also completed and submitted their Annual Environmental Performance Review (AEPR) report. Ecobank has also prepared and published the grievance mechanism on its corporate websites, as requested by IFC. Furthermore, eight Ecobank countries which have recently signed SME Risk Sharing Facility agreements with IFC have also been trained on ESMS and the modality for completion of the AEPR form.
Equator Principles

Ecobank adopted the Equator Principles (EP) in 2012 and has modified the Principles application to help improve the internal policy governing projects financing and project related-corporate loans, specifically for projects with a total cost of US$10 million or more, as well as in large projects where the Bank's specific contribution in project related corporate loans is US$50 million and above. Hence, Ecobank continues to demonstrate its commitment to environmental and social performance beyond the EP recommendations.

Furthermore, Ecobank has integrated the Equator Principles within its internal Environment and Social Management Systems (ESMS), which was developed on the basis of our engagement with the IFC Performance Standards as well as our association with other financial institutions on their interpretation of environmental and social management as related to the credit review process.

Ecobank has gained a better understanding in ensuring that projects financed and eligible transactions are developed in a socially responsible manner and reflect sound environmental management practices. The Bank continues to ensure that negative socio-environmental impact is avoided and where possible the Bank engages the project proponents in establishing a set of corrective mitigating measures. The Bank makes sure that these measures are agreed by our clients and put in place a compliance monitoring and reporting plan.

EP guidelines were taken into consideration in financing all EP eligible project-financed and eligible transactions in the EP environmental and social risk, mostly in categories B and C in 2019. The Bank did not compromise on its environmental and social performance obligations. Tenors of Ecobank participation as sole financier and as a participant range from renewable short-medium terms to long term financing.

United Nations Global Compact (UNGC)

In November 2011, Ecobank Transnational Incorporated became a signatory to the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-Corruption. In December 2012, the Bank reaffirmed its support to the Ten Principles of the UNGC and submitted its maiden annual report ‘Communication on Progress’.

The report outlined the Bank's actions and steps being taken towards continually improving the integration of the Global Compact and its principles into our business strategies and practices. Ecobank reassured the UNGC secretariat of its commitment towards partnership with other stakeholders in realising its vision and in promoting private sector participation for the achievement of a genuine economic and social transformation in Africa and looks forward to complementing the implementation of new development initiatives including the post-2015 development agenda and the Rio + 20 outcomes in Africa, mainly in our core competency areas of banking and finance.

As a Group, Ecobank Transnational Incorporated is a registered member of UNGC and this membership covers all Ecobank subsidiaries, including the Ecobank Development Corporation (EDC). Thus, the annual membership obligation report, Communication on Progress, to the UNGC secretariat is prepared at the Group office and incorporates information from Ecobank affiliates. At the country level, Ecobank is a steering committee member of the UNGC Local Networks in Ghana.