Ecobank’s Digital Pathway to Sustainable Banking

Ecobank Group
Sustainability Report 2017
“At Ecobank, we remain committed to leading our business and communities to a more sustainable future. This means a continued focus on poverty alleviation, the enrichment of people’s livelihoods, upholding social values and the protection of the environment. We believe that stable societies and an enabling environment are prerequisites for flourishing economies and financial stability, so we will not relent in our pursuit of sustainable banking values.”

Emmanuel Ikazoboh
Group Chairman
Ecobank Transnational Incorporated (‘ETI’)

“In implementing our 5-year Roadmap to Leadership, we are responding to the imperative of building a better tomorrow with our simplified business model and enhanced digital platforms. In particular, our Ecobank MobileApp allows us to address directly two tenets of sustainability; financial inclusion and poverty alleviation. The MobileApp is accelerating the delivery of fast, secure and convenient retail banking services to Africa’s unbanked population, as well as empowering individuals and stimulating entrepreneurial creativity. As the largest financial institution in Africa by geographic footprint, we will continue to pursue our vision of enriching lives within the communities that we serve.”

Ade Ayeyemi
Group Chief Executive Officer
Ecobank Transnational Incorporated (‘ETI’)
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<th>Abbreviation</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>ATM</td>
<td>Automated Teller Machine</td>
</tr>
<tr>
<td>AWA</td>
<td>Anglophone West Africa</td>
</tr>
<tr>
<td>CESA</td>
<td>Central Eastern and Southern Africa</td>
</tr>
<tr>
<td>CO2</td>
<td>Carbon Dioxide</td>
</tr>
<tr>
<td>CRM</td>
<td>Country Risk Manager</td>
</tr>
<tr>
<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<tr>
<td>ESG</td>
<td>Environment Social and Governance</td>
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<tr>
<td>ESPDR</td>
<td>Environment and Social Risk Management</td>
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<tr>
<td>ETI</td>
<td>Ecobank Transnational Incorporated</td>
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<tr>
<td>FICC</td>
<td>Fixed Income, Currencies and Commodities</td>
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<tr>
<td>HR</td>
<td>Human Resource</td>
</tr>
<tr>
<td>IISD</td>
<td>International Institute for Sustainable Development</td>
</tr>
<tr>
<td>KYC</td>
<td>Know Your Customer</td>
</tr>
<tr>
<td>LASPARK</td>
<td>Lagos State Parks and Gardens Agency</td>
</tr>
<tr>
<td>MCH</td>
<td>Maternal Child Health</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>ODS</td>
<td>Ozone Depleting Substance</td>
</tr>
<tr>
<td>PMTCT</td>
<td>Prevention of Mother to Child Transmission</td>
</tr>
<tr>
<td>PP</td>
<td>Product Programme</td>
</tr>
<tr>
<td>RM</td>
<td>Relationship Manager</td>
</tr>
<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>SERC</td>
<td>Social Ethics and Reputation Committee</td>
</tr>
<tr>
<td>SME</td>
<td>Small &amp; Medium Enterprise</td>
</tr>
<tr>
<td>SSC</td>
<td>Social Security Contribution</td>
</tr>
<tr>
<td>TTC</td>
<td>Total Tax Contribution</td>
</tr>
<tr>
<td>UEMOA</td>
<td>West Africa Economic and Monetary Union</td>
</tr>
<tr>
<td>UNEPFI</td>
<td>United Nations Environment Programme Finance Initiative</td>
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<tr>
<td>UNGC</td>
<td>United Nations Global Compact</td>
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<td>UNHCR</td>
<td>United Nations High Commission for Refugees</td>
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</table>
Social, Ethics and Reputation Committee Members

Acknowledgements

The Group Chief Risk Officer wishes to thank all the internal and external stakeholders for their input to the preparation of this report. The preparation of Ecobank’s Sustainability Report is underpinned by their shared knowledge, impactful experience and professional perspectives.

The Sustainability Report was prepared under the overall guidance of the Social, Ethics and Reputation Committee (SERC), led by Mrs Dolika Banda, Chairperson of the Committee, as well as Dr. Catherine Ngahu and Mr Bashir Ifo, as members. The Committee exercises oversight on sustainability practices and initiatives in Ecobank. The Committee is assisted by Senior Executives of the Bank 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 below:

Ms. Dolika Banda  
ETI Non-Executive Director and Chairperson, Social, Ethics and Reputation (SER) Committee

Dr. Catherine Ngahu  
Non-Executive Director of ETI and Member, SERC

Mr. Bashir Ifo  
Non-Executive Director of ETI and Member, SERC

Mr. Ade Ayeyemi  
Executive Member of the ETI and Group Chief Executive of Ecobank

Ms. Julie Essiam  
Group Executive and Head of Human Resources, Corporate Affairs and Chief Executive Officer of the Ecobank Foundation
Embedding the sustainability agenda within Ecobank

In 2015, the Ecobank Group Board set up the Social, Ethics and Reputation ("SER") Committee. One of its first duties was to oversee the production of a maiden, standalone 2015 Ecobank Sustainability report, entitled ‘Banking Tomorrow’. The theme for this year’s Sustainability Report is ‘Ecobank’s Digital Pathway to Sustainability’, recognising the increasingly important role that technology is playing in transforming Africa for the better.

Our 2016/17 Sustainability Report focuses on the progress made in the past 2 years in implementing sustainability practices within Ecobank’s businesses, highlighting the launch and roll-out of an upgraded Ecobank MobileApp across all of our geographies.

It recognises and provides our response to the growing demand from our stakeholders, including our investors, regulators and staff, to assess and disclose sustainability issues that are material to Ecobank. This underscores our commitment to adopting sustainability as a strategic management approach, enabling us to contribute to the economic development and financial integration of Africa.

The SER Committee will continue to work with management to develop a healthy relationship between business growth and sustainability. Our efforts will be focused on material sustainability activities, namely:

- Striving always to align the Ecobank sustainability framework with our overall corporate business objectives and realities
- Refining the data integrity of sustainability performance indicators and their measurement in Ecobank
- Driving financial inclusion to achieve a customer base of 100 million by 2020 by promoting tools such as Ecobank MobileApp
- Continuing to provide sustainability leadership in pan-African banking, and
- Scaling up organisational effectiveness programmes.

The SER Committee reaffirms its commitment to work closely with management to achieve more sustainability milestones within Ecobank in 2018.

Dolika Banda
Chairperson
Social, Ethics and Reputation Committee of ETI Board
1. Sustainability in Ecobank

Ecobank is a strong supporter of transformative initiatives toward the socio-economic development of Africa, including the United Nations’ (‘UN’) Sustainable Development Goals (‘SDGs’) Agenda. Notably, the bank has aligned its internal sustainability framework with the SDGs, with a view to contributing to the achievement of the UN’s 2030 global goals.

To date, our efforts in the implementation of specific SDGs have been focused on health and wellbeing (SDG 3), education (SDG 4), gender equality (SDG 5), affordable, clean energy (SDG 7), ethical working conditions and economic growth (SDG 8), industry, innovation and infrastructure (SDG 9), climate action (SDG 13) and partnerships for the goals (Goal 17).

These initiatives build on our commitment to the achievement of the Millennium Development Goals (‘MDGs’), namely tackling poverty and hunger, improving access to energy and potable drinking water and environmental protection.

In 2017, we reaffirmed our commitment to the promotion of sustainability across our footprint, whilst seeking to balance profitability with sustainable outcomes for our businesses and operations. Understanding of sustainability approaches amongst senior management and staff has been enhanced and accelerated via the Ecobank Academy’s learning and knowledge platform. Similarly, the Ecobank Day community outreach programme, together with other sustainability-related activities carried out by Ecobank’s subsidiaries, further underscore our desire to promote sustainable banking practices across the Group.

Our most notable sustainability achievements during the year include:

- The introduction of the Ecobank MobileApp digital channel to promote financial inclusion
- The continued migration to electronic banking operations, reducing paper usage
- The organisation of an enhanced sustainability knowledge-sharing workshop for the Ecobank Board and Group Executive Committee, and
- An increase in collaborative partnerships for development under the auspices of the Ecobank Foundation.

1.1 Sustainability Highlights in 2017

1.1.1 Ecobank MobileApp

Key 2016/2017 initiatives towards achieving our goal of growing our customer base to 100 million by 2020 have been upgrades to our digital platforms and the introduction of the Ecobank MobileApp. The latter represents a true ‘game changer’ in African banking, as it is the first unified, multilingual (available in English, French, Portuguese and Spanish) ‘app’ in operation in 33 countries.

This technology has the potential to meet the twin goals of vastly reducing the cost of providing banking services and servicing our customers in a faster and more convenient manner. By lowering servicing costs, Ecobank MobileApp will have a positive impact on Africa’s economic development, promoting financial inclusion amongst the unbanked and underbanked.
Additionally, we have devised the Ecobank Xpress account that allows customers to instantly open a mobile banking account, leveraging the KYC (‘Know Your Customer’) initiatives implemented by African Telcos. To date, regulators in 25 countries across our footprint have approved this KYC-light account, as financial inclusion is seen as a high priority. Ecobank has also developed its own payments platform, enabling instant fund transfers across our network of 33 countries. This eliminates the former high tariffs on low value cross-border transfers, which were prohibitively expensive for many Ecobank consumers. Hence, thanks to enhancements to its digital banking platform, Ecobank is now reducing transaction costs and improving access for its existing and potential new clients, thereby furthering financial inclusion and improving customer service.

Features of the Ecobank MobileApp include:
- Open an Ecobank Xpress Account within minutes
- Instant remittances to 33 African countries
- Funds transfers within Ecobank to other local banks within Ecobank’s footprint
- Merchant payments using EcobankPay with Masterpass and VISA
- Payment tokens using Ecobank XpressCash redeemable at Ecobank ATMs and XpressPoints
- Bill payments
- Individual/third party airtime top-up requests
- Card/cheque blocking requests
- Balance enquiries, mini-statements and account statement requests
- Checking foreign exchange rates.

African consumers are eagerly adopting digital banking and the Ecobank MobileApp enables our customers to carry out their financial transactions ‘on the go’.

Ecobank is taking digital banking beyond providing customers with 24/7 banking services; we are also applying digital technology internally to automate processes, create new products, improve regulatory compliance and transform and monitor employee performance, thereby honing our decision making and overall efficiency.

1.1.2 Speeding Migration to ‘Paperless’ Operations

In line with the bank’s strategy of pursuing innovation to create sustainable value, the Electronic Records and Document Management System (‘ERDMS’), introduced in 2015, has benefitted the environment, as well as improving operational efficiency. Today fewer hard copy documents are being kept to meet regulatory compliance requirements for business information.

By scanning documents and using a customised file-naming system, front-office staff have fingertip access to the information database. Furthermore, memos and internal newsletters are being circulated via the Group Intranet. The result is an uncluttered office, with more efficient and better-informed staff. By way of illustration, as of December 31, 2016, Ecobank Ghana’s electronic library has stored a total of 4.6 million bank teller records and saved a total of over 10 million sheets of A4 paper.

1.1.3 A top-down approach to sustainability knowledge sharing

As we intensify our efforts to explore emerging business opportunities in sustainability and the green economy, Ecobank’s Group Board members and the Group Executive Committee are increasingly focused on improving risk management approaches and adopting best practices to maximise profits. This has called for enhanced capacity development within Ecobank’s senior management to enable informed assessment.
of sustainability-related business opportunities and the promotion of sustainability thinking and practices amongst Ecobank’s staff and its wider stakeholder audiences.

1.1.4 Collaborative development partnerships

In our engagement with multi-/bi-lateral organisations in Africa’s advancement (including United Nations’ agencies, embassies, development financial institutions and local and international Non-Governmental Organisations), Ecobank has adopted a collaborative approach to create an environment conducive to the formation of developmental partnerships at national and global levels. This has included the offer of complementary banking and financial services to support the implementation of the development agenda in Africa. At a time when overall global development flows into Africa are slowing, affected by the migrant crises in Europe and a number of fiscal challenges in the US, our International Organisations business continued to open new project accounts in many countries and signed milestone banking and/or partnership agreements with several key multilateral development organisations in 2016, including the Global Fund to fight against AIDS, Tuberculosis and Malaria (‘The Global Fund’).

In 2016 and 2017, Ecobank collaborated with a number of such institutions to reach coherent and common developmental goals in Africa. This has led to Ecobank’s:

- Enhancement of development aid effectiveness through cash management and transfers using our technology platforms
- Participation in a risk-sharing facility, aimed at the development of agribusiness and food security
- Support of improvements to health and nutrition and access to education and technology
- Financing of safe water and sanitation initiatives, and
- Awareness raising opportunities for the empowerment of women and gender equality within the development agenda.

Figure 3: Our 4 sustainability platforms
2. Ecobank’s Sustainability Framework

Ecobank remains committed to the tenets of sustainable development in banking and continues to have a positive impact on the lives of people – our customers, shareholders and employees, our societies and our environment. The bank is also making contribution towards the realisation of African Union Agenda 2063, which was developed as a strategic framework for Africa’s long term socio-economic and integrative transformation. In this regard, the bank is promoting sustainable development at the economic, social and cultural levels as well as the integration of African economies through its core competency – banking and finance.

At the affiliate level, the bank is also working with its host countries towards the attainment of the United Nations’ Sustainable Development Goals (SDG), adopted in 2015, in addition to the AU agenda. In doing this, the pan-African bank continued to implement the Ecobank Sustainable Framework to guide its efforts aimed at:

- Driving economic transformation
- Promoting socially responsible finance
- Developing human capital, and
- Protecting natural resources and environmental sustainability.

Under the guidance of the Social Ethics and Reputation Committee (SERC) of the ETI Board, management is ensuring that Ecobank’s financing activities continue to add value and bring sustainable benefits to the socio-economic and environmental development of Africa, in line with the Sustainable Framework, as illustrated below.

In line with Ecobank’s overall commitment to the sustainability agenda, we reaffirm our commitment to:

- Support access to sustainable resources and services in all our businesses and operations
- Balance our drive for profitability with improved prosperity and protection of our planet
- Forge collaborative partnerships in sustainable development to promote economic growth.

3. Driving Economic transformation

3.1 Public sector banking

As public sector institutions look to transform their service delivery, Ecobank is positioning itself as an intermediary between the public and private sectors, providing credit to stimulate economic activity. This allows businesses to invest beyond their cash in hand, families to buy houses without saving the entire amount in advance and governments to invest in long-term infrastructure projects by smoothing out the cyclical pattern of their tax revenues. Our transformational banking solutions are thus supporting a dynamic and growing sector, which is predicated on the need to support Africa’s trade and infrastructural development.

In 2017, Ecobank continued to stimulate investment and banking opportunities in a number of public sector projects, including agriculture and agribusiness, hospitals and schools and conventional and renewable energy, as well as other developmental infrastructure, such as roads and airports.

In our public sector banking relationships, we seek to position ourselves as a partner of reference for integrity, accountability and transparency – critical factors for donor funds. We have won several mandates to be the custodian of project accounts funded by donors, including the World Bank, in a number of countries, including Benin, Côte d’Ivoire, Gambia, Ghana, Kenya and Malawi. In recognition of the need to mobilise public and private investment for development, we have been actively involved in financing opportunities that are being created in infrastructure finance, project finance and bond market development through public-private partnerships.

Furthermore, via our Ecobank-Nedbank Alliance and many other correspondent banking relationships, we have become a pan-African gateway for business. We recently signed memoranda of understanding with two leading multilateral development financial institutions to facilitate trade financing in Africa, namely the African Development Bank and the African Export-Import Bank (Afreximbank).
Fostering Financial and Economic Integration

Africa’s challenges often require a pan-African solution, such as policy harmonization, free cross-border trade and free movement of capital, people and goods. Our Pan-African approach to banking and finance has enabled us to contribute to the financial and economic integration of our continent. Our integrated competencies are unique within middle Africa. We have built economies of scale, with extensive coverage in 33 countries, 943 branches access to cash 24/7 at over 3,400 ATMs, and 10,976 point of sales devices. No other bank in Africa has such breadth of coverage. We are making cross-border transactional banking more convenient, accessible and efficient. The countries in which we have a presence all have a significant number of migrant workers. Our Rapid transfer and CashXpress Card products provide safer payments platforms and remain the market leader to serve our customers. These products also enables diaspora Africans to transfer and remit funds to their relatives faster and to support projects in their home country.

Our transformational banking solution is predicated on the need to support Africa’s trade and infrastructure development through private-public partnership and regional integration, which gives us the opportunity to finance projects of larger scale at lower unit cost. We leverage African trade corridors across the various sub-regions by providing integrated trade solution, using various payment methods, to facilitate intra-African trade. The continent is witnessing the rise of businesses that are often considered as emerging regional champions. Our unique ‘One Bank’ platform enables us to serve such regional corporates seamlessly.

Banking for the public sector

The public sector in African countries is significant when measured by key parameters, such as employment, government expenditure, public investment, tax income and contribution to GDP. Although the private sector is now widely recognised as an engine of economic growth, the public sector remains dominant in many African countries. To ensure sustainable socio-economic development, the public sector, at all levels of government, continues to play a critical role in the service delivery of education, health, water and sanitation.

Our goal is to be the preferred bank for Africa’s public sector business and we are making progress in this direction. With our single-view Omni products, tailored for corporate and commercial banking customers, we onboarded over 14,000 clients in 2017. These Omni collection clients mainly comprise revenue authorities, pension funds and commodity traders, which together accounted for nearly $15.5bn of transactional value in 2017. This achievement is the result of Ecobank’s customised services for civil servants, including deposits, collections, payments, cash management, payroll administration, project accounts, advanced payment guarantees, supplier payments and credits. We have positioned ourselves to deliver full value chain services to public sector entities, covering salaries, pensions, benefits and bursaries to all forms of tax, revenue, utility, customs and school fees collections.

Percentage TTC by tax category 2017

- Company income tax: 37%
- People tax: 28%
- Consumption tax: 33%
- Capital duty and other taxes: 2%

For countries that access donor funds and those that seek significant bilateral relationships with leading global economies and with multilateral development institutions, we have positioned ourselves as a partner of reference for integrity, accountability and
transparency – factors that are critical to collaboration with these market players. In Ghana, we have won several mandates to be the custodian of project accounts funded by donors including the World Bank. Recognising the need to mobilise public and private investment for development, we have been actively involved in financing opportunities that are being created in infrastructure finance, project finance and bond market development through public-private partnership.

In Senegal, we also implemented a short-term $15 million financing for SENELEC, the power utility, to pay for the State’s electricity. This facility was set up to provide an uninterrupted supply of electricity and smooth delivery of services and will be repaid from the government’s budget. Ecobank also supported a regional transmission company with a $30.86 million documentary Line of Credit to support the implementation of West Africa Power Pool (WAPP) projects for the supply and distribution of electricity in Côte d’Ivoire, Liberia, Sierra Leone and Guinea.

In a related development, our Group CEO reiterated the bank’s commitment to micro, small and medium enterprises (MSMEs) as a fundamental part of Africa’s economic fabric, during his speech at the 23rd Nigerian Economic Summit in Abuja last October. In delivering this commitment, we are leveraging the expertise of our Consumer banking division to provide targeted, digital banking products for MSMEs in served and under-served markets that are simple and convenient to use. In 2017, we onboarded 1,945,309 customers via the Ecobank MobileApp, resulting in over 5.5 million transactions, valued at a total of $634 million. Although Ecobank Masterpass and mVisa service have only recently been launched, the merchant QR is already reconfiguring the way in which Ecobank clients are transacting business. In 2017, about 170,000 Masterpass and mVisa transactions were successfully processed for 63,214 merchants, with a value of over $3 million.

3.2 Creating economic value through tax contributions

Taxes by category

In terms of percentage the largest category of taxes paid in 2017 was company income tax with 37% (vs 28% in 2016) followed by consumption tax with 33% (vs 33% in 2016) and people tax with 28% (vs 32% in 2016) and stamp duties with 2% (vs 2% in 2016). The doughnut chart below presents our taxes paid.

The following tables present the different tax categories:

<table>
<thead>
<tr>
<th>Company Income tax (37%) – 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).</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Tax Borne</strong></td>
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<tr>
<td>Corporate Tax Borne</td>
</tr>
<tr>
<td>Company Income Tax</td>
</tr>
<tr>
<td>Others</td>
</tr>
<tr>
<td><strong>Corporate Tax Collected</strong></td>
</tr>
<tr>
<td>Tax deducted at source</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>37</td>
</tr>
</tbody>
</table>

**People taxes (28%) – Withheld on employment’s earnings, they include income tax, employee social security contributions (SSC) collected through PAYE, employers’ social security contributions, payroll taxes and other related contributions.**

<table>
<thead>
<tr>
<th>People Tax Borne</th>
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</thead>
<tbody>
<tr>
<td><strong>People Tax Borne</strong></td>
</tr>
<tr>
<td>Payroll Tax</td>
</tr>
<tr>
<td>Employer SSC</td>
</tr>
<tr>
<td>Other Employer Contributions</td>
</tr>
<tr>
<td><strong>People Tax Collected</strong></td>
</tr>
<tr>
<td>PAYE</td>
</tr>
<tr>
<td>Employee SSC</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>28</td>
</tr>
</tbody>
</table>

**Consumption taxes (33%) – 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/collected by Ecobank.**

<table>
<thead>
<tr>
<th>Consumption Tax Borne</th>
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</thead>
<tbody>
<tr>
<td><strong>Consumption Tax Borne</strong></td>
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<tr>
<td>Irrecoverable VAT</td>
</tr>
<tr>
<td>Reverse VAT</td>
</tr>
<tr>
<td>WHT on imported Services</td>
</tr>
<tr>
<td>Autres</td>
</tr>
<tr>
<td><strong>Consumption Tax Collected</strong></td>
</tr>
<tr>
<td>Net VAT</td>
</tr>
<tr>
<td>Tax on Banking Activities</td>
</tr>
<tr>
<td>Money Transfer Tax</td>
</tr>
<tr>
<td>Autres</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>33</td>
</tr>
</tbody>
</table>

**Property taxes (2%) – Applied on the ownership, sale, transfer or occupation of property, they include business rates, bank levies, stamp duty tax etc.**

<table>
<thead>
<tr>
<th>Property/Registration Tax Borne</th>
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</thead>
<tbody>
<tr>
<td><strong>Property/Registration Tax Borne</strong></td>
</tr>
<tr>
<td>Property Tax</td>
</tr>
<tr>
<td><strong>Property/Registration Tax Collected</strong></td>
</tr>
<tr>
<td>Stamp Duty &amp; Patents</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>2.0</td>
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</table>
Table 1: Tax borne

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Income Tax</td>
<td>67,590</td>
<td>49</td>
<td>46,029</td>
<td>47</td>
<td></td>
</tr>
<tr>
<td>Reverse VAT</td>
<td>4,722</td>
<td>3</td>
<td>7,408</td>
<td>-36</td>
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<tr>
<td>Employers’ Social Sec. Cont.</td>
<td>20,315</td>
<td>15</td>
<td>21,248</td>
<td>-4</td>
<td></td>
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<tr>
<td>Recoverable Input VAT</td>
<td>10,208</td>
<td>7</td>
<td>9,451</td>
<td>8</td>
<td></td>
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<tr>
<td>Other Employee Contributions</td>
<td>1,067</td>
<td>1</td>
<td>959</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Payroll Tax</td>
<td>3,290</td>
<td>2</td>
<td>2,672</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>WHT on imported services</td>
<td>3,019</td>
<td>2</td>
<td>2,179</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td>1,030</td>
<td>1</td>
<td>1,287</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>26,976</td>
<td>20</td>
<td>25,110</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>138,218</td>
<td>100</td>
<td>116,343</td>
<td>19</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Tax collected

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PAYE Income Tax</td>
<td>63,616</td>
<td>30</td>
<td>59,609</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>TAX Deducted at Source (WHT)</td>
<td>60,757</td>
<td>28</td>
<td>37,961</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>TOB/TAF.</td>
<td>34,420</td>
<td>16</td>
<td>35,040</td>
<td>-2</td>
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<tr>
<td>Net VAT</td>
<td>26,661</td>
<td>12</td>
<td>27,506</td>
<td>-3</td>
<td></td>
</tr>
<tr>
<td>Tax on Money Transfers</td>
<td>14,658</td>
<td>7</td>
<td>16,182</td>
<td>-9</td>
<td></td>
</tr>
<tr>
<td>Employees’ Social Sec. Cont.</td>
<td>10,045</td>
<td>5</td>
<td>13,165</td>
<td>-24</td>
<td></td>
</tr>
<tr>
<td>Stamp Duty/Land Tax</td>
<td>1,246</td>
<td>1</td>
<td>1,736</td>
<td>-28</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>2,847</td>
<td>1</td>
<td>2,461</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>214,250</td>
<td>100</td>
<td>193,660</td>
<td>11</td>
<td></td>
</tr>
</tbody>
</table>

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$ 138 million** in 2017 against **US$ 116 million** in 2016. The profile for these taxes across Ecobank group is as presented above:

Tax collected
Taxes collected are those taxes that Ecobank collects and administers on behalf of the Government, and which are generated as a result of Ecobank’s activities. Taxes collected are not a cost to Ecobank (other than the administration cost) and do not directly affect Ecobank’s results. Taxes collected in 2017 are estimated at **US$ 214 million** against **US$ 194 million** in 2016. The profile of these taxes across Ecobank affiliates are presented above:
3.3 Value added creation

Value Added is a measure of the economic value contributed by an economic entity. During the year 2017 Ecobank Group has contributed a total amount of US$ 1.649 billion.

The financing cost stands as the highest beneficiary of value added (36%), after which comes the investment in the employment (25%). The value added to governments in terms of taxes and the profit after tax rank respectively in third and fourth place with a percentage of 8% and 13%. The details of the value added is displayed above.

3.4 Development Partnerships

Our International Organisations business is focused on providing banking services to the development sector, with whom Ecobank is a preferred African financial services provider, given its unique ethos and reach across developing Middle African countries. Our main clients are global and regional NGOs, multilateral and bilateral development agencies, such as the United Nations, and global foundations and trusts.

The Group’s growing deployment of digital banking services is allowing Ecobank’s clients to extend their penetration into previously unbanked territories, as well as facilitating internal collaboration between Commercial and Consumer Banking and the Ecobank Foundation to support financial inclusion and SME growth. The business also provides thought leadership, with a particular emphasis on health and education initiatives.

In working with our partners, especially in countries that access donor funds and those seeking significant bilateral relationships with leading global economies, and with multilateral development institutions, we have positioned ourselves as a partner of reference for integrity, accountability and transparency factors that are mission-critical to international financial institutions.

Banking the United Nations

Following the decision of the UN Treasury on the harmonization of treasury services to consolidate banking services in the UN system, Ecobank entered into negotiation and successfully signed the Master Banking Agreement (MBA) with the United Nations. This agreement with Ecobank is the second of a number of global banking agreements to be signed by the United Nations under the Banking Harmonization Project.

The Global Banking Harmonization Project was launched by the then Secretary-General Ban Ki-moon and by the Chair of the High Level Committee on Management (HLCM), as part of the Harmonization of Business Practices in the UN System, to adopt a standardized, coordinated approach to the procurement and administration of global banking services and relations for the UN and all participating Funds and Programmes as well as Specialized Agencies and Related Organizations. These entities have field banking requirements for peacekeeping operations and support activities in post-conflict situations, among others. Ecobank Master Banking Agreement (MBA) recognizes that the UN System’s entities across our geographic footprint in Africa have varying needs and requirements depending upon the type of operations and countries involved.

Subsequent to the MBA, several UN entities have signed the Participation Agreements (‘PAs’) as a requirement to complete the MBA process and this has informed the continuous successes with UN RFPs as Ecobank was nominated as one of the two selected providers of banking services for the UN System in Benin and Zambia. Thus the bank is poised to continue to offer the UN System a customized banking services to assist the largest development organisation to effectively implement its developmental mandates.

Mr. Ade Ayeyemi, the Ecobank Group Chief Executive Officer, in his remarks at the signing of UN – Ecobank MBA, that “Ecobank is delighted to be signing the Master Banking Agreement as a long term partner of the UN in the African continent. We have a common goal around support for, and the development of, the communities that the bank serves and Ecobank sees the signing of the Master Banking Agreement as an important step in the further development of our relationship with all UN entities”.

Table 3: Statement of Value Added

<table>
<thead>
<tr>
<th>Stakeholder Base</th>
<th>2017 (US$’000)</th>
<th>% added 2017</th>
<th>2016 (US$’000)</th>
<th>% added 2016</th>
<th>% variation 2016 –2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier of Funds Financing Interest</td>
<td>593,001</td>
<td>36</td>
<td>574,509</td>
<td>31</td>
<td>3</td>
</tr>
<tr>
<td>Shareholders/Reinvest Profit after tax</td>
<td>288,340</td>
<td>17</td>
<td>204,958</td>
<td>15</td>
<td>41</td>
</tr>
<tr>
<td>Employees Wages &amp; salaries less employment taxes</td>
<td>415,586</td>
<td>25</td>
<td>436,389</td>
<td>37</td>
<td>-5</td>
</tr>
<tr>
<td>Government Tax Borne</td>
<td>138,218</td>
<td>8</td>
<td>116,343</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td>Government Tax Collected</td>
<td>214,250</td>
<td>13</td>
<td>193,660</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td><strong>Value Added</strong></td>
<td><strong>1,649</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,525</strong></td>
<td><strong>100%</strong></td>
<td><strong>8%</strong></td>
</tr>
</tbody>
</table>
4. Socially responsible financing

4.1 Ecobank Microfinance

Impact, reach and scale

Across Africa, Ecobank Microfinance provides smart, inclusive banking to over 4 million low-income individuals and micro-entrepreneurs. 2 million of these are served directly by microfinance banking subsidiaries in 4 countries (Burkina Faso, Cameroon, Ghana and Sierra Leone), together with dedicated internal units in Nigeria and Mozambique.

In addition to direct client engagement, Ecobank also reaches several million more customers indirectly by supporting over 200 independent microfinance institutions across its footprint. This effective pan-African reach makes Ecobank Microfinance one of the largest microfinance operations and financial inclusion programmes in sub-Saharan Africa.

Comprehensive coverage and offerings

In addition to low-income individuals, our client base is made up of a variety of microbusinesses, including traders, artisans, microprocessors and farmers. We are able to provide them with a full range of inclusive banking products and services, including micro-savings and loans, bill payments, transfers and remittances, mobile banking and advisory services.

Awards and recognition

Ecobank's success and leadership in bringing financial services to the unbanked is receiving increasing international attention and recognition. In 2016, we were selected as the 'Best Bank in Financial Inclusion in Africa' by African Banker magazine and we also won the ‘Best microfinance product in West Africa’ category in Asian Banker’s annual awards.

Digital platforms enabling financial inclusion

In line with the Group’s strategy of employing technology to extend its mass-market reach, our microfinance businesses are leveraging mobile technology to reach several million more of the unbanked and underbanked populations.

The growth in mobile phone usage in sub-Saharan Africa has created an opportunity to introduce cheaper and more convenient means of servicing low-income clients in urban and remote areas. For example, in 2016, Pan-African Savings and Loans Limited, our microfinance subsidiary in Ghana, introduced a full self-service mobile banking solution, the first of its kind in West Africa. This innovative service, developed in partnership with mobile operators, enables users to open accounts and carry out transactions on their mobile phones, without physical interaction with the bank, anytime and anywhere.

This service, which offers convenient, cheap and easy access to financial services for the unbanked population, has great potential to fast-track increased banking penetration. In less than 3 months, over 20,000 new clients in Ghana were on-boarded digitally. This service will be rolled-out in the other Ecobank Microfinance countries in 2017, with the aim of acquiring millions of new clients in the medium term.

Commercial viability and sustainability

All of Ecobank’s microfinance subsidiaries and units are profitable, thus demonstrating that financial inclusion and providing banking to the poor and low-income people can be commercially viable. Ecobank has substantiated that its twin objectives in serving the poor and low-income population of commercial and socioeconomic development focus can be achieved in any market, if the right model is applied. And Ecobank’s successful model and leadership in banking the unbanked in the region received recognition again in 2017 with a number of excellence awards including:

Retail Banking Launch of the Year 2017 (digital offerings for the unbanked).
Best savings and loans institution in Ghana (Pan-African Savings & Loans Ltd – Ecobank microfinance subsidiary in Ghana).

4.2 Ecobank Foundation

Our Foundation’s vision is to be an impact-driven agent of change that contributes to the transformation and prosperity of Africa. To realise our vision, we are working to:

- Position the Ecobank Foundation as the ‘go-to’ partner in Africa
- Demonstrate evidence of impact through a growing number of partnerships, and
- Enhance thought leadership on issues affecting the continent.

We have chosen to focus on health, education and financial inclusion as agents of Africa’s transformation, with gender equality underpinning our engagement with communities across the continent.

In 2016, we began implementing the Foundation’s new strategy, focused on building partnerships with like-minded organisations with an active involvement in the development of the African continent. To expand our community reach, we are working closely with the Ecobank Group to maximise the potential of digital solutions to provide financial services to the communities in which we operate.

Amongst our developmental partnerships, we would highlight the following achievements in 2016 and 2017:
4.2.1 The Global Fund to fight against AIDS, Tuberculosis and Malaria (‘The Global Fund’)

We have renewed our partnership with the Global Fund for a further three years, covering the 2017-2019 period. We hosted the relaunch of the Foundation during the 5th Replenishment of the Global Fund in Montreal, where we presented our revitalised vision.

Our joint investment with the Global Fund in Nigeria has contributed to the following results:

- The first-line antimalarial treatment of over 7.7 million presumed and confirmed malaria cases at public and private sector health facilities
- The distribution of over 10.5 million long-life insecticidal nets to at-risk populations via mass campaigns
- The distribution of over 2.7 million long-life insecticidal nets to targeted risk groups (primarily pregnant women and children under five) through public and private sector distribution channels, and
- The provision of intermittent preventive treatment (‘IPT’) for malaria to 475,000 pregnant women attending antenatal clinics.

We are also working with the Global Fund’s Treasury department, in conjunction with Ecobank’s Paris-based sales and trading hub (EBI SA) to develop a bespoke financial solution for the Global Fund and its recipient countries in Africa.

Building on Ecobank’s financial management capabilities, we have worked in Chad and Liberia in partnership with The Global Fund and Humentum, a non-governmental organisation, to improve financial management in programme delivery. We will be extending this programme to other countries in 2018.

Also, we are collaborating with our colleagues in the Financial Institutions/International Organisations teams to develop a broader version of this programme for other Ecobank DFI/NGO clients. Ultimately, our goal is to provide services that ensure that development finance funds reach their final beneficiaries as rapidly and securely as possible.

We have also collaborated on the conceptual framework and implementation of a pan-African initiative, ‘Africans for Africa’, aimed at accelerating the pace of the transformation of the African continent.

Awards for leadership in financial inclusion in Africa – Being a progressive service provider in financial inclusion in Africa, in 2017, we are delighted to have been named Best Microfinance Product in Africa at the Asian Banker Awards hosted by the Asian Banker. The award was in recognition of Ecobank digital micro-savings and loans product on mobile platform.

Also in the same year, Pan African Savings and Loans Ltd, an Ecobank microfinance subsidiary in Ghana was recognized as Best Savings and Loans Institution in Ghana in the Sub-Saharan Enterprise Awards hosted by MEA.

In the same vein, Retail Bankers International, a leading global editorially independent retail banking and briefing service has ranked Ecobank digital as Retail Banking Launch of the Year 2017 for offering consumers purely digital banking experiences.

In 2018, we aim to increase our cooperation with Ecobank subsidiaries to strengthen their respective investment in the communities in which we operate.

4.2.2 OneFamilyHealth

Our partnership with OneFamilyHealth represents a replicable and sustainable healthcare model that is making a significant contribution to access to health care in Rwanda. This joint venture has created more than 340 jobs, with around 60% of the franchises run by women. Nearly 1 million patients have registered with the OneFamilyHealth network of health clinics, with more than 1.5 million patient visits served and average travel times to the nearest facility cut by around an hour.

Through our partnership with The Global Fund, the Ecobank Foundation is focusing on eliminating malaria from Africa. For example, last year, our commitment to invest $250,000 in Mozambique was doubled by DFID, making a total contribution of $750,000 towards the Government of Mozambique’s anti-malarial initiatives. Through, this investment, Ecobank has joined a consortium of private sector organisations that are dedicated to combatting malaria in Mozambique.
4.2.3 Royal College of Physicians (‘RCP’)

2016 was the last year of our partnership agreement with the RCP, which, in collaboration with the West African College of Physicians, has provided supplemental training to 348 doctors.

4.2.4 AfricaThriving International

This partnership was established in 2016 to implement the Model School Project, which was launched in Agbogba, Ghana, last September. This is an initiative that aims to improve educational facilities and enhance pupils’ access to the teaching of science, technology, engineering and mathematics.

The Foundation also contributed to the ‘Doctors in the Gap’ initiative, which focuses on community health engagement and volunteering.

We will continue to develop our partnership with MyAfricaThriving Foundation in 2018.

4.2.5 Donation to UN High Commission for Refugees

We have invested in the work of this UN organisation, which is focused on providing livelihoods and education to refugees in the Central, Eastern and Southern African Regions.

Ecobank Regional Executive – From left to right: CESA Samuel Adjei, Ecobank Group CEO Ade Ayeyemi, UNHCR Deputy Representative in Kenya Wella Koyou and his counterpart Needa Juju-Hoya

Ecobank Group CEO Ade Ayeyemi speaks to UNHCR Representative Needa Jehu shortly before the bank donated money to the organisation

4.2.6 UN’s Economic Empowerment of Women Initiative

We participated in the UN Africa Consultation on Women Economic Empowerment in 2016. This included a presentation to the UN Secretary-General, at the invitation of the President of Costa Rica and the CEO of IKEA, in which we positioned the Ecobank Foundation to lead an initiative on financial inclusion for women in Africa.

We have also signed Memoranda of Understanding with the African Union and Vodacom. We will be working with the African Union to promote the development of Africa’s future business leaders, in conjunction with the Ecobank Academy. The focus will be on performance management in the public sector and the development of female business leaders, working closely with professional associations for women. We will be collaborating with Vodacom on health, education and financial inclusion projects across Africa, deploying our mezzanine platform where possible.
4.3 Community engagement

4.3.1 Ecobank Day in Cape Verde

Started in 2013, every first Saturday in October, we celebrate Ecobank Day, which is the day we earmark to give back to our communities through volunteerism. We believe that our host communities play an important role in our corporate activities; thus Ecobank Day offers a unique platform for making a positive difference, whilst acting as a good role model for other private sector organisations. The day also helps the participating Ecobank staff to feel compassion and develop an active interest in societal welfare.

Each year, Ecobank commits a significant amount of money towards this critical ‘giving back’ activity. This, in turn, allows volunteering and fundraising activities around a specific theme to simultaneously take place across the 33 African countries where the bank has a presence. The 2017 Ecobank Day focused on ‘Safe Water, Healthy Living’, to raise awareness of the millions of African who cannot access safe, clean water, and how this impacts their quality of life and opportunities. Hailed as the most successful to date, a number of impactful activities were undertaken to provide hospitals and schools (amongst others) with clean water facilities. In Lomé, the Group CEO, Mr. Ade Ayeyemi, led the staff of ETI and Ecobank Togo in over 10,000 man hours of volunteering in various community development projects.

For example in Cape Verde, Ecobank Day offered another opportunity for staff to interact with the local communities as part of our social responsibility in action. In commemorating the fifth anniversary of Ecobank Day with the theme, ‘Save Drinking Water for a Healthy Life’, the management and staff of Ecobank Cape Verde donated plastic drum containers for storage of safe drinking water in the communities.

The donation of drum was informed by the delayed rainfall, high salty concentration groundwater coupled with drought in some part of the island, particularly in the Espinho Branco municipal area of Calheta Sao Miguel on Santiago Island.

4.3.2 Ecobank Day in Zambia

The Ecobank Day programme was organised in collaboration with the Solidarity League of Church of Nazareth, as part of the church’s ‘Eu guero ajudar’ project. The theme for 2017 Ecobank Day was ‘Safe Water, Healthy Living’. Albeit, special consideration were given to a few Ecobank affiliates to consolidate their ongoing staff volunteering activities from the previous year and within the context of the affiliate specific developmental needs. In this regard Ecobank Zambia celebrated Ecobank Day on two separate days in two regions where the bank has a presence, namely Lusaka and the Copper Belt Provinces.
In Lusaka, Ecobank Day was celebrated on 14th December 2017 in Lusaka by the award of scholarships to pay for all the tuition and exam fees from secondary education until university for three vulnerable, but high achieving, girls. This was in order to highlight the challenges of inequalities in education faced by girls.

During the presentation of scholarship certificates, the Managing Director, Mr. Kola Adeleke, reaffirmed Ecobank’s commitment to support efforts of the Government of Zambia to address community issues especially in health and education. “As part of the Ecobank Group, we are especially sensitive to the challenges of access to quality education within the communities in which we operate. Our corporate social responsibility programme is dedicated to supporting community welfare and development, whilst also addressing financial inclusion across Africa,” he said.

The colourful event was officiated by the Minister for Higher Education, Hon. Professor Nkandu Luo. The Minister thanked Ecobank for this noble gesture. “I would like to thank Ecobank for coming onboard to support the education of girls in Zambia. The inability to pay school fees is one of the main reasons that girls are denied access to education. Kindly extend my thanks to the Ecobank Group CEO’s Office for this contribution,” she said.

In attendance were the United Nations Population Fund Country Representative, Dr Mary Otieno, the Director of Standards and Curriculum at the Ministry of General Education, a representative of the University of Zambia, Head Teachers and pupils of New Mtendere Secondary School and Kamulanga Secondary School and the parents of the girls who received scholarships.

### 4.3.3 Ecobank Day in Liberia

The Managing Director of Ecobank Liberia led in the donation of assorted toiletries to expectant mothers in Liberia. In his presentation, Mr. George Mensah-Asante observed: “Corporate Social Responsibility in Ecobank is considered a critical activity as it constitutes one of the main pillars of our vision of contributing to the socio-economic development of Africa and Liberia.” Mr. Gibson Kollie, Head of Consumer Banking, outlined Ecobank’s approach to the development of the continent as a whole and of Liberia in particular. He commented: “Ecobank is not just a bank, rather an institution that has a keen interest in everyone, irrespective of nationality, colour, gender or religion. It is a bank for all.”

The ceremony took place in a convivial atmosphere, with a strong representation of Ecobankers who witnessed first hand the impact that their donations would have in improving the learning environment for many children.
4.3.5 Ecobank Day Malawi

In line with 2016 theme ‘Improving Maternal Health Care’, Ecobank Malawi made donations to the maternity wings of four health centres in Zingwangwa, Kawale, Mapale and Mangochi.

The donations included gift packs for expectant mothers and mothers with new born babies. The packs contained nappies, baby bath soap, laundry soap, baby basins, rompers, socks, plastic pants, petroleum jelly and baby powder. These are some of the basic necessities for mothers who have hospital deliveries but are often lacking due to their financial circumstances. Ecobank Malawi’s donations will contribute to the antenatal and postnatal health of the child by preventing possible infection from sharing or using old materials. The health centres also received water filters as part of the Ecobank’s donations to ensure their supplies of clean and safe water.

The health centre staff were delighted by these gestures, commending the bank for devising such a scheme. In his remarks, the Managing Director of Ecobank Malawi pledged the bank’s continuing support of maternal health in the country.

4.3.6 Ecobank Nigeria’s community engagement

To further our commitment to address the issues of climate change and environmental protection, Ecobank Nigeria’s community engagement activities in 2016 included the sponsorship of the annual tree-planting programme of the Lagos State Parks and Gardens Agency (‘LASPARK’). This is an annual event, celebrated on July 14, as a contribution towards combatting climate change, as well creating a greener and healthier Lagos State. Our sponsorship included the donation of 5,000 seedlings to be distributed to secondary school students and teachers to plant and nurture in their schools.

4.4 United Nations International Women’s Day

The United Nations celebrates International Women’s Day on the 8th of March each year. The theme for 2017 was ‘Women in the Changing world of work: Planet 50:50 by 2030’. At Ecobank, we call on the need for gender equality by placing a strong emphasis on gender equality and value our female staff highly. As the largest pan-African bank, we are conscious that we operate in a continent where women are more active economic agents than elsewhere in the world, making a significant contribution to Africa’s socio-economic development. Of our 17,000 employees, 43% are female and 57% male. With our on-going commitment, we are confident that we will achieve the UN’s Planet 50:50 objectives for gender parity in the workplace well before 2030.

In answering the UN’s clarion call, we are developing a new, Group-wide programme to further support gender equality, both within Ecobank and in the local communities that we serve. Our African women need access to working capital to manage their cash flow and fund investments in new equipment and technology. It is for these reasons that we consider women an especially valued segment of our customer base across the 36 African countries in which we have a presence.

International Women’s Day 2017

Mrs. Adenike Laoye, Sustainability Champion, making an address on behalf of the Managing Director at the 2016 LASPARK event.
4.5 Celebration of the World AIDS Day in Ecobank

On December 1, Ecobank joined the United Nations in celebrating the 2017 World AIDS Day, the theme of which was ‘Hands Up for #HIVprevention’. The aim of the day was to raise awareness of the HIV threat, as well as showing support for people living with HIV. As part of Ecobank’s observance of the day, over 600 employees, in four locations (Group HQ, Ghana, Kenya and Zimbabwe), tested themselves for HIV. Other activities to commemorate the World AIDS Day within the bank included:

- **Senior management engagement**: The Ecobank Board and staff demonstrated their support for the campaign by displaying messages on their hands to highlight different aspects of HIV prevention. Ecobank’s Chairman also made a formal statement highlighting the need to support African governments, as well as active community engagement, to eradicate HIV. Ecobank’s Group CEO also circulated a message internally, emphasising the need to stop the discrimination and social stigma shown towards people living with HIV and called for more support for HIV screening and treatment.

- **Peer engagement**: Video documentaries featuring Ecobank staff were circulated, e.g.:
  - In Côte d’Ivoire, Ecobank employees discussed the need to promote awareness of HIV and encourage regular testing and the adoption of preventative measures
  - Ecobank Ghana staff focused on maternal and child health, especially the prevention of mother to child transmission of HIV, as well as conveying a positive portrayal of living with HIV.

- **Media outreach**:
  - Online publication of an article by the CEO of the Ecobank Foundation on HIV awareness and prevention, including AllAfrica.com and Ventures Africa, amongst others
  - Circulation of a press release reinforcing the Group’s commitment to the fight against HIV and its eventual eradication in Africa
  - Photography and videos of staff and senior management’s participation in the ‘Hands Up’ campaign were posted on social media
  - We collaborated with the Global Fund’s HIV awareness and prevention campaign that reached 150,000 Twitter followers.
5. Protecting Natural Resources: Environmental sustainability

Protecting the Natural Resources and Environmental Sustainability

As a bank in the vanguard of sustainable financial institutions, Ecobank has been implementing environmental and social risk management (ESRM) on credit transactions in the environmental and socially (ES) sensitive sectors since 2012. This is necessary to ensure that our clients are carrying out their business in an environmental friendly and socially acceptable manner. It also helps to protect Ecobank’s reputation, whilst supporting the natural resources and communities in our host countries, with the ultimate goal of advancing sustainable development.

Overview of the Implementation of ESRM in 2017

In Ecobank, ES policy and procedures offer a consistent approach to the identification, screening, classification, mitigation and compliance monitoring of our decision-making processes. The ES policy follows the Group Credit Process and Procedures Manual ("GCPPM") that defines the nature and level of risk that Ecobank is willing to take in pursuit of its strategic and business objectives. Our engagement with clients in the ES eligible sectors, such as the extractive industries, heavy construction, manufacturing, real estate and utilities (including energy generation, transmission and distribution), continues to broaden and deepen. We regularly review eligible transactions in line with the IFC Performance Standards on Environmental and Social Sustainability, as well as the Equator Principles, where necessary. The review is followed by recommendations to improve the alignment and integration of our clients’ business practices with sustainable development priorities.

Following the restructuring of Ecobank’s subsidiaries into 4 regional groupings in 2016, our ESRM processes needed to be refined and reinforced to focus on material environmental and social issues specific to each region. A summary of our ES activities in 2017 is presented in Table 4.

Table 4: Summary of ES transaction activity in 2017

<table>
<thead>
<tr>
<th>Activity</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of managed transactions</td>
<td>1,755</td>
</tr>
<tr>
<td>No. of High risk</td>
<td>23</td>
</tr>
<tr>
<td>No. of Medium A risk</td>
<td>708</td>
</tr>
<tr>
<td>No. of Medium B risk</td>
<td>330</td>
</tr>
<tr>
<td>No. of Low risk</td>
<td>694</td>
</tr>
<tr>
<td>Exclusion List transactions</td>
<td>2</td>
</tr>
</tbody>
</table>

Of the total of 1,755 transactions that were screened and managed for ES risk in 2017, 59.1% were in the Medium B and Medium A ES risk categories, versus 61.75% in 2016. Low-risk transactions as a percentage of the total increased from 36.2 in 2016 to 39.5% in the year under review, whilst the percentage of High-risk transactions screened decreased marginally from 1.9% in 2016 to 1.3% in 2017. Furthermore, the percentage concentration of the ES eligible transactions in the Medium A and Medium B risk categories signifies that Ecobank’s exposure to potentially ES sensitive activities remained within operational containment limits and, hence, largely manageable.

1 Transactions with potentially limited adverse social and/or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.
2 Transactions with potential adverse social and/or environmental impacts that are generally beyond the site boundaries, largely reversible and readily addressed through relevant mitigation measures.
3 Transactions that carry minimal, or no, environmental or social impacts
4 Transactions with potential significant adverse social and/or environmental impacts, which are diverse, irreversible or unprecedented.
Across the regions, specific environmental and social risk due diligence criteria were adopted in assessing cross-border issues, such as biodiversity, that heighten the ES risks. The chart above, presents the number of transactions screened and managed for potential ES risks by region in 2015, 2016 and 2017.

In The largest Ecobank region by market size as well as a percentage of total assets, Ecobank Nigeria, accounted for only 6.6% of the total transactions managed for ES risk in 2017, compared to 5.2% in the previous year. Although the bank has taken a conservative approach to lending in Nigeria since 2016, the increment in the volume of ES transactions is partly due to the renewal/restructuring of existing facilities, together with the increasing value of existing assets as a result of the improving economic outlook.

The total portfolio exposure to ES sensitive sectors in Anglophone West Africa (AWA) and the West Africa Economic and Monetary Union (UEMOA) regions as of December 2017 were 29.05% and 30.48% respectively. The 5 Ecobank affiliates in AWA accounted for 14.4% of the total transactions managed for ES risk in 2017, whilst the 9 affiliates in UEMOA had the largest number of transactions managed for ES risk of all of Ecobank’s regions, making up 49.5% of the Group total.

The Central, Eastern and Southern Africa (CESA) region is the largest Ecobank region in terms of the number of subsidiaries, covering 18 countries in total. In 2017 CESA’s total portfolio exposure to ES sensitive sectors was 30.8%. The region accounted for 29.5% of the total transactions managed for ES risk, a decline in comparison to the 32% registered in 2016. Nevertheless, analysis of 2017 data revealed that the ES data integrity management in the region has continued to improve. This is partly due to a ‘bottom-up’ risk assessment, in which the subsidiaries’ ES risk information is aggregated at the Group level. This is helping to ensure that a wide range of perspectives and critical analyses are incorporated to ensure balanced and objective ES risk management overall.

Implementation of ESRM as part of the contractual obligations of the IFC facilities (Annual Environmental Performance Review)

Ecobank has facilities with varying ES requirements from several development lenders such as the IFC, FMO, FinFund, African Development Bank (AfDB), European Investment Bank (EIB) and the French Development Agency, Proparco, amongst others.

These facilities have varying but overlapping ES standard compliance requirements. The IFC facilities with the Group and 11 of its subsidiaries (Ghana, Nigeria, Cote d’Ivoire, Mali, Liberia, Guinea, Chad, Togo, Congo Brazzaville, Congo Democratic Republic and Central African Republic), require that an Annual Environmental Performance Review (AEPR) is carried out. The AEPR is a self-assessment of the subsidiaries’ compliance with ES standards in their financing activities. It covers 2 main areas, namely:

- ES portfolio information, including the categorisation of transactions based on the severity of their ES impact; and
- Implementation of an ES Management Framework.

In 2017, the Group, and the subsidiaries concerned, conformed satisfactorily with the IFC’s AEPR reporting obligation and complied with all subsequent requirements relating to the report.
Affiliation with Environment, Social and Governance (ESG) Frameworks (UNEPFI)

At the global level, Ecobank continues to ensure that its commitment to sustainability goes beyond compliance with legal requirements, whilst remaining an effective tool for gaining competitive intelligence and widening networking opportunities. Our participation in global sustainability initiatives is aimed at leveraging best practice to improve our internal programmes for the implementation of sustainability.

Ecobank participated in UNEPFI’s AGM and Africa Regional Roundtable, Johannesburg November 2017

Ecobank remains an active member of UNEPFI and a signatory to the UNEPFI Statements of Commitment by Financial Institutions on Sustainable Development to develop and promote financing for sustainable development and an inclusive green economy. Ecobank participated in the 2017 UNEPFI Annual General Meeting, held in Geneva, Switzerland and the UNEPFI Africa Regional Roundtable Meeting in Johannesburg, South Africa, in November 2017. The Chairperson of Social, Ethics and Reputation Committee of the ETI Board, Ms. Dolika Banda, represented Ecobank in a panel session on ‘Progress on Sustainable Finance and the Long Road Ahead’.

Ecobank – a member of UNEPFI’s Global Steering Committee

The UNEPFI Global Steering Committee provides executive direction on strategic, work programme and budgetary issues on a regular basis. The Global Steering Committee reports to UNEPFI’s Annual General Meeting, where all Members come together to make decisions on the initiative’s overall strategic direction, structural issues and budget matters. The Committee comprises 13 members from the banking, insurance and investment industries and were appointed via membership election. Ecobank’s appointment is in the banking category, along with BBVA.

ESRM outlook

In 2018, we will continue to improve the implementation of our ESRM, with a particular focus on the compliance monitoring and reporting of the ES Corrective Action Plan. Furthermore, we are poised to revise the Ecobank ESRM policy, which was approved in 2014. This revision has become necessary in the light of new realities and emerging developments in the management of eligible transactions for ES risk within Ecobank.

5.2 Environmental and Social Risk Management (‘ESRM’) Procedures

In the implementation of our ES policy, the Relationship Managers have primary responsibility for managing ES risk, with the Country Risk Management (‘CRM’) serving as a second line of defence, providing enterprise oversight and assisting the Relationship Managers (‘RMs’) in the completion of ES due diligence. The Group ES management provides the third line of defence with the open review and discussion of ES risk across all impact categories.

To make better credit and business decisions, our ES risk management evaluates our customers’ commitment, capacity and track record in managing ES risks to provide a better understanding of their operations and longevity. This reflects our commitment to ensuring that our lending strategies do not lead to unacceptable environmental and social impacts.

In 2016, we worked to integrate ES risk management into other business processes, including Commercial Banking’s Product Programme (‘PP’), where we have incorporated thorough assessment and risk mitigation practices.

We continue to review competitor ES practices to ensure that our ES management is aligned with international best practice.
Our ESRM implementation procedures are summarised below:

- Screening transactions against activities on the Exclusion List
- Reviewing transactions for ES risks in accordance with sector guidelines
- Identifying project/transaction sectors for Environmental and Social risk classification
- Verifying transactions for potential ES risk identification
- Classifying transactions into Low, Medium A, Medium B and High ES risk
- For ES low risk transactions, the RMs will sign off Environmental and Social Due Diligence (‘ESDD’) forms to be verified by the Country Risk Manager (‘CRM’)
- For all Medium A, Medium B & High risk transactions, detailed ESDD is required (RM and CRM will sign-off all Medium risk rated transactions, to be verified by the Group ES Manager, in relation to:
  - General Information
  - Legislation
  - Health, Safety and Security Labour and Working Conditions
  - Environmental resource efficiency (energy, waste, pollution etc.)
  - Community
  - Internal Environmental and Social Management System (‘ESMS’)
  - Mitigation and Improvement Action Plan
  - Compliance Monitoring and Reporting.

Exclusion List and Exceptional consideration

As a responsible bank, which recognises and supports the need to limit the concentration of greenhouse gases in the atmosphere, from time to time we review credit applications for environmentally high-risk transactions. In such instances, exceptional consideration for approval may be given to environmentally high-risk transactions on the Ozone Depleting Substances (‘ODS’) List on a contingent basis, where host country regulations have recognised the business line(s), coupled with the compelling justification of high socio-economic benefits and the possibility of reversing environmental damage. In this situation, Ecobank will expect the client to employ good business practices and complement these by considering the future allocation of resources into activities with acceptable environmental and social performance standards.

For example, we analysed a credit application for a coal-fired power plant transaction in Niger. Although coal-fired power operations will trigger ODS action, this transaction received ESRM funding approval on the basis of its net positive socio-economic and environmental impacts. We concluded that the power plant would improve access to energy, which, in turn, will stimulate local industrialisation, as well as creating employment opportunities and reducing poverty. With regards to the environment, the power plant is located in an arid desert area, with no meaningful vegetation cover and a sparse and dispersed population. This means that the impact on biodiversity and the displacement of human settlement will be minimal. Furthermore, with little industrialisation in Niger, the country’s current net greenhouse gas emission levels are positive, so the impact of additional emissions from the operation of this plant will be insignificant.
5.3 Internal capacity development

Ecobank recognises that adequate capacity building is the single most important component in translating current ES risk management into viable business opportunities. We equally acknowledge that quality bank lending is critical to the advancement of the environmental and social dimensions of sustainable banking. It is only through a deeper knowledge of sustainable banking opportunities, technologies, products and processes that the desired shift to sustainable business practices can be made.

Over the past year, we have worked toward improving the quality of our ES risk management training manual and our training delivery to meet international standards. As a result, staff, including Group Board Members, the Group Executive Committee, relationship managers and other staff, participated in ES training conducted via various media.

5.4 Environmental sustainability outreach activity

To maximise profits, Ecobank’s Board and the Group Executive Committee are adopting a more rigorous approach to manage the inherent risks with appropriate best practices.

5.4.1 Sustainability knowledge-sharing workshop for senior management

In June 2016, an environmental and sustainability workshop was organised, facilitated by the International Institute for Sustainable Development (‘IISD’). IISD is a Canada-based, United Nations-affiliated organisation that provides practical solutions to the challenges of integrating environmental and social priorities with economic development.

The aim was to deepen the Board’s understanding of what constitutes a ‘Sustainable Ecobank’, as well as heightening the value of sustainable practices to the Group’s businesses and operations. It brought fresh perspectives regarding various issues of economic, social and environmental sustainability and offered a platform for the participants to discuss and proffer solutions to emerging sustainability issues of strategic importance to the Group leadership.

5.4.2 Turning global inspiration into local action – Ecobank Nigeria walks for a sustainable environment

In October 2016, the management of Ecobank Nigeria organised an environmental sanitation clean-up exercise across the country, under the banner of ‘A Walk for a Sustainable Environment.’ Its aim was to educate and raise awareness of environmental and sustainability issues, both in the local community and amongst Ecobank employees. It was also geared at putting sustainability into practice, prompting individuals to eschew consumptive and wasteful habits for more sustainable ones.

Led by Ecobank Nigeria’s Managing Director, Charles Kié, and other bank executives, over two thousand staff from eight bank locations (Lagos, Sokoto, Ibadan, Abuja, Kano, Port Harcourt, Onitsha and Calabar) joined in the clean-up exercise.

In Lagos, the exercise started at 7am from the Ecobank Nigeria’s head office on Ahmadu Bello Way, Victoria Island, and continued along Bar Beach Road. Welcoming the Lagos participants, Charles Kié reminded them that environmental cleanliness leads to good health and improved productivity. He said local environmental problems were partly due to improper waste management and poor sanitation. With specific reference to non-biodegradable waste, Charles stressed the need to reduce the use of plastic bags and, in particular, to stop the littering of plastic waste. He called for innovative ways of to minimise plastic waste, such as the ‘3Rs’ concept of ‘reduce, reuse and recycle.’

Executive Director and Chief Risk Officer, Dele Alabi, emphasised the need to ‘walk the talk’, reminding Ecobankers that sustainable eco-friendly practices will fundamentally reshape the business environment for all companies. He said that the clean-up exercise was not simply a campaign, but a wider call for action to protect our environment and improve the health and social wellbeing of the wider enterprise – employees, customers and the communities around them.
5.5 Internal carbon footprint

Ecobank believes that by monitoring a set of indicators, namely waste, diesel, paper, vehicles and air travel, will invariably enhance efficiency, as well as contributing to low carbon business management. Given our commitment to sustainability in our businesses and operations, we hold ourselves accountable for the achievement of five carbon footprint goals across Ecobank Business Services (‘EBS’). We have resolved to report on progress on a set of key performance indicators (‘KPIs’) that track performance towards these goals each year in the Group Annual Report. These are summarised in the table above.

<table>
<thead>
<tr>
<th>Goal</th>
<th>KPI</th>
<th>Progress thus far</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste</td>
<td>Amount spent on office waste</td>
<td>Periodic lifespan audits of office equipment are being carried out and old equipment is recycled via donations to charitable organisations. Other heavy equipment is recycled under the lease agreements.</td>
</tr>
<tr>
<td>Diesel</td>
<td>Amount spent on diesel generators</td>
<td>Low capacity generators are being installed for off-peak powering of the central processing unit, while solar lighting and LED bulbs are being installed in the office premises.</td>
</tr>
<tr>
<td>Paper</td>
<td>Amount spent on A4 bond paper</td>
<td>An Electronic Records and Document Management System (‘ERDMS’) has been installed for direct data capture and storage. Usage of office printers is being discouraged.</td>
</tr>
<tr>
<td>Vehicles</td>
<td>Amount spent on official vehicle fuelling and maintenance</td>
<td>Policy on car sharing has been adopted and teleconference and e-meeting are being harnessed to reduce car usage and fuel consumption.</td>
</tr>
<tr>
<td>Air travel</td>
<td>Amount spent on air travel for official business</td>
<td>Travel must be via direct, shortest routes and teleconferencing and e-meetings are being utilised to reduce air travel.</td>
</tr>
</tbody>
</table>

5.6 Affiliation with Environment, Social and Governance (‘ESG’) Frameworks

As the urgent need for stronger cooperation in the implementation of ESG initiatives becomes more widely understood, responsible financial institutions, such as Ecobank, are increasingly implementing best practice policies and measures that address environmental, social and governance commitments, as well protecting their business interests.

5.6.1 Regional ESG Initiatives

Within Africa, Ecobank continues to be recognised as a thought leader, with informed opinion in the field of sustainable banking, and a constructive catalyst in regional discourse on sustainable finance between government regulators, development financial institutions, UN agencies and the Central banks. In 2016, Ecobank served as a resource to other banks in developing guidelines for expounding and applying the concept of sustainable banking, which has extended beyond Middle Africa.

Sharing its experience in the implementation of sustainable banking, Ecobank served on a panel to discuss the way forward for Green Banking in Africa at a conference organised jointly by BMCE, Bank of Africa and EBRD in Casablanca, Morocco, in October 2016. Other participants included the African Development Bank, FirstRand Bank of South Africa, the Central Bank of Nigeria and the Kenyan Bankers’ Association, as well as representatives of financial institutions from the Maghreb and Europe. The forum recognised the need for strategic thought as to how Green Banking can be developed and implemented most effectively, without unfairly impeding business growth and opportunities. In essence, we are contributing to the promotion of sustainable banking as a truly transformative approach to banking.

5.6.2 Global ESG Initiatives

At the global level, Ecobank continues to ensure that its commitment to sustainability goes beyond compliance with legal requirements, whilst remaining an effective tool for gaining competitive intelligence and widening networking opportunities. Our participation in global sustainability initiatives is aimed at leveraging best practice to improve our internal programmes for the implementation of sustainability.

5.6.2.1 United Nations Environment Programme Finance Initiative (‘UNEPFI’)

Ecobank remains an active member of UNEPFI and a signatory to the UNEPFI Statements of Commitment by Financial Institutions on Sustainable Development to develop and promote financing for sustainable development and an inclusive green economy. Ecobank participated in the 2016 UNEPFI Annual General Meeting, held in Dubai, UAE, in October 2015. Ecobank is working with the UNEPFI African Task Force (‘ATF’) Secretariat in countries in which it is present to gain more members through workshops and awareness campaigns.

To develop the capacity needed for environmental and social analysis, selected Ecobank staff participated in an online training course on Environmental and Social Risk Analysis (‘ESRA’), organised by UNEPFI. Participants learnt how to include environmental and social variables in traditional lending and investment decisions.
personalised training, as well as facilitating delegate debates. Ecobank’s delegates were involved in a range of activities; from simulating the implementation of environmental and social policy guidelines and case study analyses to carrying out exercises based on their own client ESRA experiences.

The online courses taught participants how to incorporate environmental and social variables in traditional analyses when making lending and/or investment decisions. Each course includes 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.

Affiliation with Environment, Social and Governance (ESG) Frameworks (UNEPFI):

At the global level, Ecobank continues to ensure that its commitment to sustainability goes beyond compliance with legal requirements, whilst remaining an effective tool for gaining competitive intelligence and widening networking opportunities. Our participation in global sustainability initiatives is aimed at leveraging best practice to improve our internal programmes for the implementation of sustainability.

Ecobank participated in UNEPFI’s AGM and Africa Regional Roundtable, Johannesburg, November 2017

Ecobank remains an active member of UNEPFI and a signatory to the UNEPFI Statements of Commitment by Financial Institutions on Sustainable Development to develop and promote financing for sustainable development and an inclusive green economy. Ecobank participated in the 2017 UNEPFI General Meeting, held in Geneva, Switzerland and the UNEPFI Africa Regional Roundtable Meeting in Johannesburg, South Africa, in November 2017. The Chairperson of Social, Ethics and Reputation Committee of the ETI Board, Ms. Dolika Banda, represented Ecobank in a panel session on ‘Progress on Sustainable Finance and the Long Road Ahead’.

Ecobank – a member of UNEPFI’s Global Steering Committee

The UNEPFI Global Steering Committee provides executive direction on strategic, work programme and budgetary issues on a regular basis. The Global Steering Committee reports to UNEPFI’s Annual General Meeting, where all Members come together to make decisions on the initiative’s overall strategic direction, structural issues and budget matters. The Committee comprises 13 members from the banking, insurance and investment industries and were appointed via membership election. Ecobank’s appointment is in the banking category, along with BBVA (Spain), Corporacion Andina de Fomento (Venezuela) and Citibank (USA).

5.6.2.2 International Finance Corporation’s (‘IFC’) Performance Standards on Environmental and Social Management

In line with Ecobank’s contractual obligations with IFC, all the conditions related to the Environmental and Social Management System (‘ESMS’) have been met. Ecobank subsidiaries with direct IFC investments have also completed and submitted their Annual Environmental Performance Review (‘AEP’) report. Ecobank has also prepared and published the grievance mechanism on its corporate websites, as requested by IFC. Furthermore, 8 Ecobank subsidiaries, which have recently signed an SME Risk Sharing Facility agreement with IFC, have also been trained on ESMS.

Ecobank participated actively in IFC events related to Environmental and Social Management, including the IFC Community of Learning event, held in London, UK, in November 2016.

Ms Dolika Banda at the UNEPFI Africa Regional Roundtable Meeting, Johannesburg, South Africa.
5.6.2.3 Equator Principles

Ecobank adopted the Equator Principles (‘EP’) in 2012 and has modified them to help improve internal policies governing project finance and project related-corporate loans for projects with a total value of US$10 million or more. They are also applied to larger projects, where Ecobank’s project-related corporate loans exposure is US$ 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 were developed on the basis of our engagement with the IFC Performance Standards, as well as our association with other financial institutions.

Ecobank has gained a better understanding of how to ensure that projects financed and eligible transactions are developed in a socially responsible manner and reflect sound environmental management practices. We continue to ensure that negative socio-environmental impacts are avoided and, where possible, we urge project participants to implement corrective/mitigating measures. We make sure that our clients agree to these measures and put compliance monitoring and reporting into operation.

EP guidelines were taken into consideration in financing all EP eligible project finance and transactions in 2016, which were mostly in categories C and B. The bank did not compromise on its environmental and social performance obligations. Tenors of Ecobank’s participation, both as sole financier and as a participant, range from renewable short-medium terms to long term financing.

As an Equator Principles Financial Institution (‘EPFI’) member, Ecobank actively participated in the former’s activities, including attendance at the EPFI Annual Meeting in London in November 2016. Within the EPFI, Ecobank is an active member of the Cross Sector Biodiversity Initiative (‘CSBI’). This group facilitates networking and knowledge sharing in cooperation with multilateral institutions and development banks that undertake project finance in Africa in accordance with EP guidelines.

5.6.2.4 United Nations Global Compact (‘UNGC’)

In November 2011, Ecobank Transnational Incorporated became a signatory to the Ten Principles of the UNGC in the areas of human rights, labour, environment and anti-corruption. In December 2012, the Bank reaffirmed its support of the UNGC and submitted its maiden annual report ‘Communication on Progress’. The report outlined the bank’s actions and steps being taken towards the integration of the Global Compact’s principles into our business strategies and practices. The Ecobank Group is a registered member of UNGC and this membership covers all Ecobank subsidiaries. Thus, the annual membership obligation report to the UNGC secretariat is prepared at Group level and incorporates information from Ecobank’s subsidiaries.

At the country level, Ecobank is a steering committee member of the UNGC Local Networks in Ghana.

ESRM outlook:
In 2018, we will continue to improve the implementation of our ESRM, with a particular focus on the compliance monitoring and reporting of the ES Corrective Action Plan. Furthermore, we are poised to revise the Ecobank ESRM policy, which was approved in 2014. This revision has become necessary in the light of new realities and emerging developments in the management of eligible transactions for ES risk within Ecobank.
6. Strategic Human Capital Initiatives for a Digital Future

The diversity of backgrounds and skills of our people remains a key contributor to our unique, pan-African culture. Ecobank currently has 15,930 employees, made up of 43 nationalities from around the world. This represents a 8% reduction in the headcount since 2016, reflecting our focus on right-sizing our businesses in Nigeria, Ghana and the CESA region.

Having taken steps to improve our operational effectiveness, our objective now is to meet the challenges of the digital workplace, ensuring that all our staff have the capabilities and skills that they need to be more agile and responsive, thereby positioning Ecobank for sustained growth. As in any major organisational change, the understanding and buy-in of our employees to Ecobank’s digital transformation is a prerequisite of success.

### Employee data
As at 31 December 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>15,930</td>
</tr>
<tr>
<td>Female Representation</td>
<td>44%</td>
</tr>
<tr>
<td>Nationalities</td>
<td>43</td>
</tr>
<tr>
<td>Attrition Rate</td>
<td>12%</td>
</tr>
</tbody>
</table>

### Employees by geographic segment/regions
(% As at December 31st 2017)

- CESA: 18%
- Nigeria: 42%
- UEMOA: 20%
- AWA: 16%
- Others: 5%

### Employees by Business/Functions
(% As at December 31st 2017)

- Corporate and Investment Bank: 5%
- Consumer Bank: 14%
- Commercial Bank: 5%
- Client Engagement: 7%
- Enabling Functions: 69%

#### 6.1 2017 Highlights
- In partnership with the senior management of each of Ecobank’s three business lines – Consumer Bank, Commercial Bank and Corporate and Investment Bank – we are making steady progress with all of our strategic human resources (HR) objectives. We continue to support the Group’s digital transformation ambitions by focusing on the following areas:
  - Strengthening our Learning and Development platform to develop key capabilities;
  - Further embedding Talent and Performance Management processes across the Group;
  - Launching a Group-wide Employee Engagement initiative; and
  - Aligning our reward programmes to global best practices to create a performance-driven culture and environment.
7. Overview of 2017

In the year under review, the Group’s HR team continued to focus on the execution of its three-pronged people strategy, aimed at:

• Attracting, developing and retaining the best talent;
• Delivering a performance-driven culture and working environment; and
• Deploying people and resources in the most productive and efficient manner.

7.1 Learning and Development

Recognising the strategic importance of developing the required skills and capabilities to underpin the Group’s digital transformation, the Learning and Development function, together with the Ecobank Academy, was quick to respond to emerging business needs while continuing to focus on implementing long-term competency and assessment-driven learning interventions.

7.1.1 Accelerated delivery of “Game Changer” Training Programmes

During the course of 2017, our team worked diligently to design and deliver strategic learning initiatives to address critical business needs, including enhanced credit risk management and trade finance and cash management capabilities, improvements in sales and relationship effectiveness, tighter cost control and increased productivity. We also needed to speed the process of equipping our staff with the necessary skills and competencies to embrace the challenges of digital financial services.

Here we outline the progress of key Game Changer programmes that are being implemented across the Group:

• Digital Financial Services (DFS)
  Under the direct auspices of the Group CEO, we have begun the implementation of the wholistic DFS curriculum that will enable us to build internal and external capabilities to develop partnerships to expand and accelerate distribution of digital products and services across the Group.

• Credit and Risk Management
  Working closely with Group Risk Management, we have accelerated our efforts to institutionalise credit risk training by making it mandatory for all staff involved in the credit process.
  The programme is made up of 3 stages:
  – pre-assessment to measure individual capability and identify credit skill gaps;
  – classroom training sessions; and
  – post-training assessments to determine the impact of the learning.

Our credit risk programmes are focused on developing better credit decisions at the origination stage, together with the identification of early warning signals. We are also introducing a more structured approach to analysis, with greater emphasis on cash flow and stronger relationship management, based on effective client dialogue.

• Trade Finance and Cash Management
  Given the strategic importance of Transactional Services to our overall strategy, we launched a skills-based training programme last year, known internally as the ‘Ecobank Transactional Banking Services University’.
  This programme aims to strengthen our capabilities in Trade Finance, Cash Management and Supply Chain Financing to boost non-interest revenues through a greater volume of higher value transactions. Delivered using an innovative ‘Train-the-Trainer’ approach, this programme has enabled us to reach over 1,800 staff in 30 of our subsidiaries, including business heads, trade finance and cash management executives, relationship managers and operational and control staff.

• Product Knowledge and Cross-Selling Skills
  Throughout the year, we have intensified our product training. In Ghana, for example, we made product training mandatory for all staff, resulting in a 95% participation rate. In Nigeria, intensive instructor-led product training has been rolled out for Consumer and Commercial Banking staff. In addition, hundreds of our employees completed our in-house Customer Service programme that focuses largely on retail banking products and services.

• Leadership and Management Development
  We continued to strengthen our initiatives to develop leaders’ right across the organisation through action learning. Incorporating all levels of leadership - senior, middle and front-line management - this programme is built around Ecobank’s required leadership competencies, its values and strategic objectives.

• Other Business Game Changers
  Other business enabling curricula rolled out during the period included:
  - an Operational Risk Certification programme
  - a Customer Service Certification Programme
  - an FICC (Treasury) Certification Programme, and
  - Leadership and Management Development programmes.
7.2 Upgrading our e-Learning platform to facilitate workplace learning

As part of our efforts to provide cost-effective, on-the-job learning opportunities for our staff, we finalised the upgrade of our new e-learning platform, also known as the Virtual Banking Institute (VBI). This upgrade was crucial in terms of providing a state-of-the-art, digital learning platform that is capable of responding to our dynamic needs as an organisation. Among other objectives, the upgraded VBI is expected to facilitate a whole new approach to learning and self-development to the benefit of thousands of our staff across the Group.

7.3 Celebrating 3 Years of the Ecobank Academy

Last, but by no means least, we should also highlight that August 2017 marked the third anniversary for our Ecobank Academy. Over this period, the Ecobank Academy has succeeded in:

- Positioning itself as one of the key pillars in the advancement of our business objectives;
- Institutionalising the “design centrally and distribute locally” approach by upscaling our training delivery capabilities to:
  - provide a consistent and high quality learning experience;
  - train as many staff as possible in a cost-effective manner;
  - embed understanding of our strategy across the organisation;
  - effectively link learning with talent and performance management; and
  - instil a learning and knowledge sharing culture.

- Providing tangible cost savings for the Group by meeting all training objectives within allocated budgets.
- Pursuing its vision and mission of:
  - developing world class managers and leaders for Ecobank;
  - enhancing professional and leadership skills in Africa’s banking sector; and
  - fostering the creation of knowledge capital for Africa’s financial integration and economic growth.

7.4 Talent and performance management

During 2017 we fast-tracked our Talent and Performance Management initiatives to support our corporate strategy and, more specifically, to:

- build a Group-wide pipeline of Talent and Leadership;
- build a multi-dimensional bench strength, aligned with our strategic priorities;
- ensure clear succession planning for business critical roles and the retention of high performers by providing clear career pathways.

During the course of the year, we implemented the following strategic initiatives:

- **Strategic Talent Review Process**
  In 2017, we concluded the Strategic Talent Review process, targeting all members of the Group Executive Committee, their businesses, functions and regions. We also went on to implement targeted impact-driven talent interventions for assessed individuals that included, inter alia, individual development plans, training, promotions, structured job rotation, coaching and mentoring.

- **Strengthening Talent Acquisition**
  In partnership with the businesses, we have successfully completed a recruitment exercise for key positions. It is important to note that 58% of these positions were filled by internal promotions and redeployments, with only 42% being offered to external candidates. Furthermore, we have also launched initiatives to strengthen our group talent acquisition process and systems through enhancements to our recruitment process. Across the group, we are also building, where appropriate, internal assessment and recruitment capabilities to minimise the use of external search agencies.

- **Strengthening Performance Management Process**
  We have enhanced our Performance Management Process by putting greater emphasis on key performance areas:
  - Making continued progress towards our goal of achieving a 100% paperless/automated Performance Management review process, using our upgraded online platform.
  - Implementing a culture of continuous performance dialogue to support employee development.
7.5 Employee Engagement
We continue to emphasise the importance of our organisational culture and employee engagement both in the overall execution of our corporate strategy and in the sustainability of our business. Towards the end of 2017, we launched a group-wide Employee Engagement Survey, with the aims of:

- measuring employee engagement across all of Ecobank’s subsidiaries, via Employee Net Promoter Scores (ENPS), and identify areas for improvement and build a compelling Employee Value Proposition (EVP);
- enabling the HR function to gather data for Group policy formulation and implementation;
- facilitating the identification of people risks and their potential impact on the business;
- improving business performance through targeted employee engagement initiatives based on empirical data; and
- setting the baseline for culture and values-related staff objectives.

Based on the results of this survey, we are planning to implement the required employee engagement activities during 2018.

- Compensation and Benefits
We have continued our partnership with KPMG to ensure that our compensation plan and strategy are aligned to best practices and effectively encourage performance excellence. We finalised the review of our Total Reward strategy and aim to implement a revised and more effective incentive compensation plan in 2018.

This revised plan aims to create a high performance culture that will incentivise employees to deliver superior performance and maximise the creation of shareholder value, without taking excessive risks. The objective of the scheme is to motivate and retain top talent that contributes to the growth of Ecobank’s business by offering employees the opportunity to share in our success. Overall, the scheme is designed to better align the interests and focus of our employees with those of our shareholders.

- Workforce Planning
We are making significant progress towards achieving greater operational efficiency. In 2017, we reassessed our deployment of human resources in line with our drive to right-size the business. This led to moves to rationalise our workforce, with effective redeployment wherever possible, following the optimisation of our branch networks in CESA, Nigeria and Ghana.

7.6 Development of Women
We are continuing to make significant progress towards greater gender diversity within all levels of the organisation. For example, women now make up 44% of the overall headcount, whilst 30% of the management team is now female.

As part of our broader gender equity policies, we are implementing a robust Women’s Development Programme with the aim of increasing the number of women in senior leadership positions and to build a strong pipeline of female business leaders for the future.

7.7 Strategic HR Priorities for 2018
Digital technology provides HR with a rich set of tools to engage people and deliver higher levels of performance. The key to success, however, lies in the effective implementation of a digital workplace strategy capable of driving true cultural change.

Building on the progress already made, we are looking to accelerate the impact of our work by focusing on the following strategic initiatives:

- Learning and Development Solutions
- Integrated Talent Management
- Organisational Effectiveness
- Total Reward (Compensation and Benefits)
- Employee Efficiency and Effectiveness
- Automation and Digitalisation of HR processes