

ZENITH BANK'S RESPONSE TO BANK TRACK QUESTIONS ON THE PRBs

Principle 1: Alignment:

- a. Zenith Bank has aligned its strategic objectives with the Sustainable Development Goals of the United Nations (SDGs), Paris Climate agreement, the Nigerian Sustainable Banking Principles (NSBP), among others. As a leading financial institution in Africa, the Bank has integrated environmental and social risk assessment into all its credit and investment decisions, effective January 1, 2018. Zenith Bank is also among the first banks in Nigeria to consecutively report the carbon emissions of its Head Office in Lagos using a certified tool, which is built on the internationally recognized “Green House Gas Protocol”. The Bank’s E&S assessment framework is also in line with IFC’s Performance Standards and the universal principles of the United Nations Global Compact (UNGC).
- b. Zenith Bank will specifically promote responsible production and consumption in the power sector of the Nigerian economy. As part of our energy management plans, we have embraced the use of solar technology and commissioned a gas-powered, centrally controlled energy generation plant. The Bank has also scaled up the replacement of nearly all incandescent bulbs with LED light. The bank has also developed environmental and social risk sector frameworks for the manufacturing and the power sectors of the Nigerian economy. We believe that these sector sectors create some of the biggest impacts on the people and the environment. Thus, we are committed to supporting and engaging key stakeholders intended to achieve responsible production and service delivery.

Principle 2: Impact & Target Setting:

Zenith Bank’s primary source of energy is the national electricity grid, which is supplemented by the use of inverter, solar and fossil-powered generators due to the erratic power supply in the country. The carbon footprint audit conducted by V4 Advisors in 2018, showed that Zenith Bank emitted 12,219.10 tCO₂e from its 12,938.5 m² facility that accommodates 1,136 employees in its Head Office. Further analysis also shows a 29.73 per cent rise in our diesel consumption, from 1,584,676 litres reported in 2017, to 2,055,766.00 litres in 2018.

Based on our strategic objectives and the analysis of the social, environmental and economic impacts of our business operations and lending activities, Zenith Bank has identified key areas where the bank can create significant positive impacts on the society, the environment and the economy while minimizing the potential (negative) impacts of our operating environment, especially the bank's carbon footprints from energy consumption and waste management:

Zenith Bank PRBs Targets:

- Business Operations – Energy Efficiency
 - Business operations – Efficient Waste Management Strategy
- a. **Business Operations:** Zenith Bank's ultramodern, gas-powered energy plant is nearing completion and will significantly reduce our carbon footprints when it commences operations. This project is estimated to eliminate the use of at least 20 (250kva) generators in all our business offices located in Victoria Island branches.
- b. **Efficient Waste Management Strategy:** As part of efforts to promote environmental responsibility, Zenith Bank will integrate an innovative and efficient waste management strategy into its business operations bank-wide. Specifically, the bank will draw up and progressively implement a comprehensive Waste Management Policy built around the Waste Management philosophy of '3RS' of "Reduce, Reuse and Recycle".

Principle 3: Clients & Customers

- a. The sector identified as a priority for engagement are key players in the power, waste management, and manufacturing sectors of the economy
- b. As a leading financial institution in Africa, the Bank has integrated environmental and social risk assessment into all its credit and investment decisions, effective January 1, 2018. The bank has also developed Environmental and Social Management System, sustainability policy and plan, among others. Accordingly, every major project/investment we finance is categorized as (A, B or C) based on the E&S risks they pose to the bank. We also conduct further E&S due diligence on every Category A & B sectors/industries/projects. Zenith Bank ties E&S conditions and agreed corrective action

plans to offer letters and loan disbursement sheet. The bank also monitors our customers/projects to ensure compliance with agreed E&S conditions.

Principle 4: Stakeholders

- a. As a responsible corporate citizen, our stakeholders occupy a central place in our business strategies. Zenith Bank's key stakeholders comprise individuals, groups and institutions that have a significant influence on the attainment of our business objectives and goals. These include our employees, customers, shareholders and investors, government/regulators, host communities, suppliers/vendors, and the media, among others. The overall goal is to translate the needs of our stakeholders into our strategic objectives, creating shared value and sustainable socio-economic outcomes in the process.
- b. Kindly contact Zenith Sustainability Team via:
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Principle 5: Governance & Culture

- a. Zenith Bank is committed to the Principles for Responsible Banking and will ensure effective governance. Zenith Bank has put in place a Board-level Sustainable Banking Governance Committee known as the Risk Management and Audit Committee, to oversee and drive the Bank's Sustainable Banking goals and objectives, including the Six Principles for Responsible Banking. The bank also have a management level Sustainability Steering Committee (SSC) tasked with the responsibility of overseeing our overall sustainability agenda through regular analyses and reviews of our E&S policies and practices.
- b. Zenith Bank has a Corporate Sustainability & Responsibility (CSR) Unit with the responsibility of managing the day-to-day sustainability, environmental and social issues and policies of the Bank. The Unit reports to the executive management through a line Executive Director.

Principle 6. Transparency & Accountability

- a. Zenith Bank is committed to publishing its first reporting and assessment on the Principles for Responsible Banking within 18 months of becoming a signatory. Our progress and milestones on the Principles of Responsible Banking will be included in our annual Sustainability Report, starting from August 2020.

- b. Zenith Bank's culture accepts customer complaints as 'gifts'. Complaints are feedback that provides valuable information to make strategic business and operational decisions. We have a well-established grievance mechanism that allows our internal and external stakeholders to report social and environmental violations resulting from our business operations across all location. We will continue to upgrade in our 24/7 customer care unit to effectively engage with or take urgent complaints from all stakeholders. Also, all our business offices have our Complaints Hotlines visibly displayed in our business locations.