



WEMA BANK

UNEP-FI -Principles for Responsible Banking

IMPLEMENTATION TRACKER FOR WEMA BANK

1. **Alignment:** We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Our business model is aligned with our corporate aspiration of improving access to digital financial services and enriching lives by leveraging on our digital capabilities. We operate a retail banking model to reach out to potential and existing customers.

- a.) Can you explain briefly what concrete steps your bank will take to 'align your business strategy to be consistent with and contribute to society's goals, as expressed in the Paris Climate Agreement'?

The Bank has developed various solutions that will enable the unbanked and underbanked have unrestricted access to financial services thereby alleviating poverty and meeting SDG 1 (Sustainable Development Goal). Our flagship product, ALAT was introduced to meet the banking needs of customers irrespective of location or financial circumstance. We have also developed a robust environmental and social risk management (ESRM) policy to guide our lending activities. The ESRM policy is embedded in our risk management framework and all loans are screened before approval and disbursement. We do not finance businesses with negative environmental impact and non-adherence to the national human rights policy. Our monitoring tool is very effective to ensure that clients conforms to best practices.

- b.) What concrete consequences will adopting this principle have for your current and future involvement in the fossil fuel industry (coal, oil and gas

We are aware of the negative implications of not adopting and implementing these principles in our business. The bank has also made clear its lending strategy and economic sectors. Hence, we have put in place mechanism that will support and drive the full adoption in a gradual phase. This will reinforce our commitment to our sustainability strategy and vision of making positive impacts in our business operations and environment. It will also accelerate the full compliance with the regulatory sustainability standards in Nigeria (Nigerian Sustainable Banking Principles). We have developed targets that will be reviewed at the end of each financial year to ascertain our progress and to identify gaps.

2. **Impact & Target Setting:**

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

- a.) Which positive and negative impacts of your business operations has your bank already identified?

We have developed strategies to enhance the positive impact, while minimizing our negative impact on the business, environment and society. On the positive impact, we have improved access to financial services through financial inclusion. Financial inclusion is a national issue that the government of Nigeria is making concerted efforts to implement with a target to achieve 95% inclusion rate by 2024. It is one of the key socio-economic strategies that will drive development and growth in Africa's most populous nation. With less than 40 million bank account holders in a country of over 180 million people, we believe inclusion will alleviate poverty in the country. The Bank has introduced ALAT, a digital financial service to meet the banking needs of the diverse population.

Another strategy is women empowerment, we believe in advancing gender equality and improved access to the necessities of life. On the external side, we have developed a product called Sara by Wema, which gives women access to mentorship, funding, training and advisory services to start or scale their businesses; while on the internal part we have a network system tagged Wema Women Network, where women are nurtured and inspired to be the best in their career and personal development.

- b.)** Which concrete targets have you already formulated to reduce your negative impact, and where possible increase your positive impact?

On the negative impact, the use of diesel generator to power our business locations is harmful to the environment, hence, we are moving our branches to clean energy such as solar power in phases. One-third of our branches have been migrated to solar power while the remaining branches will be moved within the next financial year. We will continue to encourage good work life balance by encouraging flexi work hours for all roles. We have extended our maternity leave for women to 180 days and 2 weeks paternity leave for men to foster bonding for the parents and child.

We are driving campaigns on resource efficiency on water, paper and electricity. All our bathrooms have the dual flushing system to minimize water usage and good drainage system for the disposal of waste. We have minimized our paper usage by ensuring that all documents (memo, reports and forms) are initiated and completed online using the Purpleworks, Online Document Management System. We have installed energy saving light bulbs in all our branches and improved daylight fittings.

3. **Clients and Customers:** We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

- a.) Which specific clients or business sectors have you already identified as priority for engagement on encouraging sustainable practices?

The Bank has identified the Renewable Energy Sector as priority for engagement on encouraging sustainable practices. It is putting in place, a proposal for Green Funding to enable qualifying clients access funding for their business at relatively inexpensive interest rate as incentives in a bid to continue to promote sustainable economic activities.

- b.) What specific procedures does your bank have in place for identifying, issuing sanctions to, or divesting from clients whose operations continue to be unsustainable or damage prosperity for current and future generations?

The Bank has in place, an Environmental and Social Risk Management System, an Environmental and Social Risk evaluation Tool and an ESMS Policy. The Bank use these tools, to screen its borrowing and intending borrowing client's businesses on Environmental and Social risks concerns. And as a matter of policy, only clients whose businesses demonstrates sustainable business practices and whose businesses has relatively low environmental risk impact are considered for funding by the Bank. For clients whose businesses may have high or medium environmental and social risk impact, they must show the Bank the measures they have put in place to mitigate or reduce the potential high/medium impact of their business before the Bank can accede to their loan application.

4. **Stakeholders:** We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

- a.) Which concrete stakeholders (names) have you engaged with until now when implementing the PRBs in your bank?

We are collaborating with both internal and external stakeholders such as NGOs, regulatory authorities, sustainability champions and state government to implement these principles in line with our sustainability strategy. We have champions in strategic business units such as Enterprise Risk Management, Administrative Services, Human Capital Management and Retail Banking to aid implementation of our initiatives.

- b.) As we consider ourselves a prime stakeholder with a sincere interest in your PRB implementation process, with who (name, contact details) should we be in contact within your bank to follow this process?

Our contact person is the Chief Risk Officer, **Sylvanus Eneche @Sylvanus.eneche@wemabank.com** and Head, Corporate Sustainability and Responsibility, **Abimbola Agbejule @abimbola.agbejule@wemabank.com**.

5. **Governance & Culture:** We will implement our commitment to these principles through effective governance and a culture of responsible banking.

- a.) Which board members have been assigned to oversee the proper implementation of the PRBs within your bank?

The Board Nomination and Governance Committee has the responsibility for driving the sustainability agenda of the Bank. The key sustainability decisions are reviewed and approved

by the Committee members while the Sustainability Department through the Sustainability Advisory Committee reports progress made on the goals and targets to ensure transparency and accountability.

- b.)** Which section/unit of your organisation has been tasked with ensuring the proper implementation of the PRBs within your bank?

The Corporate Sustainability and Responsibility Department, Enterprise Risk Management and the Retail Division will be responsible for the implementation of the PRB.

6. **Transparency & Accountability:** We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

- a.)** What reporting format have you developed to review and report on your implementation of the PRBs?

We intend to use the reporting template shared by the UNEP-FI team.

- b.)** What concrete procedure have you put in place to allow stakeholders to engage with you on your implementation of the PRBs, or file a complaint in case of apparent non-delivery on the public commitments made by your bank?

We have created feedback mechanism through our website, contact centre and the various customer engagement fora as planned during each financial year.