



## CENTRAL BANK OF NIGERIA

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**FPR/DIR/CIR/GEN/03/004**

**Circular to all Banks, Discount Houses and Development Finance Institutions**

**EXPOSURE DRAFT OF THE REPORTING TEMPLATE FOR THE NIGERIA SUSTAINABLE BANKING PRINCIPLES (NSBP)**

Recall that the Central Bank of Nigeria had, in September 2012, issued a Circular directing banks, discount houses and development finance institutions to implement the Nigeria Sustainable Banking Principles. The institutions were also informed that the CBN will subsequently issue reporting requirements to guide the reporting of their compliance with the Principles and Guidelines.

In view of the need to ensure uniformity in reporting their implementation efforts towards compliance with the Sustainable Banking Principles, the attached draft reporting template has been developed for banks, discount houses and development finance institutions. As part of the CBN's resolve to engage stakeholders on policy issues, the draft framework is hereby exposed for comments/inputs.

In view of the above, we hereby attach the exposure draft of the reporting template for your review, comments and inputs. The exposure draft can be accessed at the Bank's website, [www.cbn.gov.ng](http://www.cbn.gov.ng).

Kindly send hard copies of your comments to the Ag. Director, Financial Policy and Regulation Department while soft copies should be e-mailed to [feahonhkai@cbn.gov.ng](mailto:feahonhkai@cbn.gov.ng) and [aumahmood@cbn.gov.ng](mailto:aumahmood@cbn.gov.ng) within four (4) weeks from the date of this letter.

A handwritten signature in blue ink, appearing to read 'I. T. Nwaoha'.

**I. T. NWAQHA**  
**Ag. DIRECTOR,**  
**FINANCIAL POLICY AND REGULATION DEPARTMENT**

**NIGERIA SUSTAINABLE BANKING PRINCIPLES**  
**PROPOSED REPORTING FORMAT FOR COMPLIANCE STATUS REPORTING**

**INTRODUCTION**

The Bankers' Committee approved the adoption of the Nigerian Sustainable Banking Principles (the NSBP or the Principles) and the three sectoral guidelines (Power, Agricultural and Oil & Gas, hereinafter referred to as the Guidelines). Subsequently, the CBN issued a circular referenced FPR/DIR/CIR/GEN/01/33 dated September 24, 2012 on the implementation of the NSBP.

The Circular, which took effect on September 26, 2012:

1. Mandated the full adoption of the Principles and Guidelines by all banks, discount houses and development finance institutions;
2. Required the concerned financial institutions to submit regular reports in line with reporting requirements which will be made available to the industry; and
3. Informed the institutions that the CBN will provide incentives, where necessary, to those institutions that take concrete measures to embed the provisions of the Principles and Guidelines into their operational, enterprise risk management and other governance frameworks.

To meet the need to provide the institutions with a format for the rendition of returns on their compliance status with the principles and guidelines, the attached NSBP Reporting Template has been developed. All terms and definitions contained in this document are consistent with those contained in the NSBP and accompanying Guidance Note.

**NSBP REPORTING GUIDELINES**

Industry reporting requirements will be grouped into two phases: (1) Year 1 milestones; and (2) all subsequent reporting years.

Year 1 milestones will be submitted in both hard and soft copies to the Financial Policy and Regulation Department of the CBN, while all subsequent reporting will be completed through eFASS.

### **Reporting Requirements for Year 1 Milestones**

**A) By 30 June 2013**, each bank will have:

1. Developed and submitted to the CBN an overarching Sustainable Banking commitment, which articulates: (a) how banks will apply the Principles and Guidelines (b) how E&S risk management considerations have been integrated into the Enterprise Risk Management framework; and (c) the Bank's implementation targets and milestones, including a five-year plan.
2. Engaged its respective Board of Directors on the Principles and Guidelines.
3. Designated a Sustainable Banking Desk or Unit responsible for implementation of the Principles and Guidelines as well as reporting to the CBN and other relevant stakeholders where appropriate.
4. Begun capacity building with relevant stakeholders.

**See Appendix 1 for 2<sup>nd</sup> Quarter 2013 Reporting Template**

**B) By 30 September, 2013**, each Bank will have:

1. Developed and submitted to the CBN its Sustainable Banking Policies which include:
  - a. An E&S Management policy for its Business Activities. The policy is to:
    - (i) describe scope and applicability;
    - (ii) include assessment, categorization, and management of E&S risks and opportunities;
    - (iii) incorporate Human Rights, Women's Economic Empowerment and Financial Inclusion action plans; and
    - (iv) reference applicable international standards;

- b. An E&S Footprint policy for its Business Operations, which should include (i) the organizational structure indicating key functions and offices (ii) the process for generating/collecting and reporting data (iii) measures/strategies for minimizing the negative E&S impacts of the banks' operations.
    - c. An articulation of how each of the sector guidelines (Agriculture, Power, and Oil & Gas) will be applied to the bank's Business Activities.
  2. Obtained the approval of its Board of Directors for its Sustainable Banking Policies.
  3. Provided capacity building to its key functions/business units responsible for the implementation of the Principles and Guidelines.

**See Appendix 2 for 3<sup>rd</sup> Quarter 2013 Reporting Template**

**C) By 31 December, 2013, each Bank will have:**

1. Developed and submitted to the CBN:
  - a. E&S Management procedures (including the various methodologies deployed to ensure that the bank's clients comply with the Sustainable Banking requirements as well as demonstrate commitment, capacity [structures/systems/processes] and track record to minimize potential E&S risks while maximizing the opportunities available).
  - b. E&S Footprint Management procedures.
2. Continued capacity building on the Principles and Guidelines to the relevant functions/business units.

**See Appendix 3 for 4<sup>th</sup> Quarter 2013 Reporting Template**



## Reporting Requirements for Year 2 and onward

From no later than **March 31, 2014**, each Bank will have:

1. Implemented its E&S policies and procedures;
2. Implemented specific strategies and action plans for the nine (9) Principles and 3 sector guidelines.
3. Delivered against specific targets and milestones.
4. Trained relevant functions/business units required to implement the Principles and Guidelines.

All reporting for this period onward will be completed through eFASS on a quarterly and annual basis.

**See Appendix 4 for the Reporting Template**

### NSBP REPORTING GUIDELINES FOR OTHER RELEVANT STAKEHOLDERS

In addition to quarterly and annual reporting to the CBN, the Banks will be required to report their implementation activities as follows:

- **Regular reports to Management, Relevant Board Committee:** Every bank should have a system in place which enables it to render regular reports on its sustainable banking activities to its Management and its Board/relevant Board Committees.
- **Inclusion in Annual Reports OR Standalone Annual Sustainability/Corporate Social Responsibility (CSR) reports**, which may be distributed electronically to stakeholders of the banks and/or made available on the banks' corporate website.

**NIGERIA SUSTAINABLE BANKING PRINCIPLES  
DRAFT REPORTING FORMAT FOR RETURNS RENDITION BY BANKS**

**ONE-OFF REPORT FOR SUBMISSION TO THE CBN (FIRST REPORT)**

1.1 Policy Formulation and Governance			
1.1.1	Briefly describe how your bank will apply the Principles to its business activities and business operations		
1.1.2	Briefly describe how E&S risk management considerations have been integrated into your Enterprise Risk Management framework		
1.1.3	Please provide your bank's implementation targets and milestones including a five-year plan	Provided	Not Provided
1.1.4	Briefly describe how the principles and guidelines have been introduced to the Board of Directors		
1.1.5	Has a Sustainable Banking Unit/Office/Desk been established? What date was it established?	Yes	No
			Remarks
1.1.6	Please provide the revised organogram of the bank (which includes the Sustainable Banking Office/Unit/Desk)	Provided	Not Provided
1.1.7	Status & Experience of the Officer heading the SB Unit	Status	Experience
1.1.8	Please provide the job description for the Head of the Unit	Provided	Not Provided
1.1.9	Details of staffing (manning levels) of the unit	Composition	
		Name	Designation
			Department
1.2 Capacity Building			
1.2.1	List the capacity building activities on the Principles and Guidelines undertaken to date for your:		
(a)	Board		
(b)	Senior Management		
(c)	Risk Management Unit		
(d)	Other Employees		
(e)	Customers		
(f)	Service Providers		

**ONE-OFF REPORT FOR SUBMISSION TO THE CBN (SECOND REPORT)**

2.1 Sustainable Banking Policies/Processes			
2.1.1	Please attach the E&S Management Policy for your bank's Business Activities	Attached	Not Attached
2.1.2	Attach the E&S Footprint Policy for your bank's Business Operations	Attached	Not Attached
2.1.3	Describe the processes by which your bank will apply the sector guidelines to the bank's Business Activities in the following Sectors:		

(a)	Agriculture		
(b)	Power		
(c)	Oil and Gas		
2.1.4	Date of Board meeting in which the Sustainable Banking policy was approved by your Board of Directors		
2.1.5	Please attach any relevant minutes or documentation	Attached	Not Attached
2.1.6	Provide the title and number of capacity building programmes conducted including dates and number of staff	Provided	Not Provided
2.1.7	Please attach the list of participants, their job roles and units	Attached	Not Attached

### ONE-OFF REPORT FOR SUBMISSION TO THE CBN (THIRD REPORT)

3.1	<b>Framework, Systems and Procedures</b>		
3.1.1	Attach a summarized copy of the E&S Management Procedures for your bank's Business Activities	Attached	Not Attached
3.1.2	Attach your E&S Footprint Management Procedures for your bank's Business Operations	Attached	Not Attached
3.1.3	Provide the title and number of capacity building programmes conducted including dates and number of staff	Provided	Not Provided
3.1.4	Please attach the list of participants, their job roles and units	Attached	Not Attached

### REPORT FOR SUBMISSION TO THE CBN

1	<b>Principle 1: E&amp;S Management System for Business Activities</b>							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks	
1.1	Total number of transactions undertaken							
1.2	Total value of the transactions							
1.3	Number of transactions screened/assessed for E&S risks							
1.4	Value of transactions screened/assessed for E&S risks							
1.5	Percentage of total portfolio screened/assessed for E&S risk							
1.6	Attach the list of transaction or client risk categorization (i.e. Category A/B/C or High/Medium/Low risk)							
1.7	Attach the risk categorization by financial product type							
1.8	Attach the risk categorization by industry sector							
1.9	Attach the risk categorization by location (state and/or region)							
1.10	Number of clients or relationships exited for poor E&S performance, non-compliance with agreed E&S Action Plans, or breach of loan documentation covenants/conditions							
1.11	No of client engagements on E&S issues which resulted in positive outcomes for the client and the Bank							
2	<b>Principle 2: E&amp;S Footprint Management for Business Operations</b>							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks	
(i)	Number of buildings/branches and facilities included in this report out of total facilities							
(ii)	Total floor space of buildings included in this report out of total floor space							
(iii)	Total number of employees							
2.1	<b>Environmental Footprint</b>	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks	



<b>2.1.1</b>	<b>Energy consumption – from the national grid and from generators</b>						
2.1.1.1	Total amount of electricity purchased from the national grid in Gwh or Kwh						
2.1.1.2	Total amount used per employee in kilowatts hour						
2.1.1.3	Total litres of fuel used to run the generator						
2.1.1.4	Total litres used per employee						
2.1.1.5	Number of branches/business offices powered by alternative sources of energy (e.g. solar energy)						
2.1.1.6	Number of ATMs powered by alternative sources of energy (e.g. solar energy)						
<b>2.1.2</b>	<b>Paper use – in kgs/tonnes</b>						
2.1.2.1	Total paper consumption in kilograms						
2.1.2.2	Use of recycled paper as a percentage of total paper consumption						
2.1.2.3	Total paper consumption per employee						
<b>2.1.3</b>	<b>Water use</b>						
2.1.3.1	From the main water supply - Total consumption						
2.1.3.2	From the main water supply - Use per employee						
2.1.3.3	From own sources [e.g. boreholes] – Total consumption						
2.1.3.4	From own sources [e.g. boreholes] – Use per employee						
<b>2.1.4</b>	<b>Solid waste production - in kgs/tonnes</b>						
2.1.4.1	Total amount of solid waste generated						
2.1.4.2	Total amount of solid waste generated per employee						
2.1.4.3	Amount of solid waste disposed to recycling plants as a percentage of total generated						
<b>2.1.5</b>	<b>Business travel [miles travelled, mode of transport, number of trips and number of employees traveling]</b>						
<b>2.1.5.1</b>	<b>Company Fleet</b>						
2.1.5.1.1	No of vehicles in the company fleet (Company fleet excludes those cars that are not maintained by the bank)						
2.1.5.1.2	Total mileage clocked by company fleet						
2.1.5.1.3	Total fuel consumption by fleet cars						
2.1.5.1.4	Total number of employees using fleet cars						
2.1.5.1.5	Average fuel use per employee						
<b>2.1.5.2</b>	<b>Air travel</b>						
2.1.5.2.1	Total number of business trips						
2.1.5.2.2	Total mileage						
<b>2.2</b>	<b>Social Footprint</b>						
2.2.1	Attach the list showing the composition of employees by gender, race, ethnicity or nationality						
2.2.2	Attach a list showing gender distribution of employee workforce in management positions						
2.2.3	Rate of absenteeism/lost hours						
2.2.4	Number of employee education and counseling programs conducted on health & safety; e.g. serious diseases, such as HIV/AIDs						
2.2.5	Number of education/training/other career enhancement programs designed for employees especially women employees						
2.2.6	Number of employees that utilized grievance mechanisms or procedures in place						
2.2.7	Number of physically challenged employees in the workforce						
2.2.8	Number of crèches in the bank's facilities to cater for nursing-mother-employees						
2.2.9	Number of stress management programmes organized for employees						
2.2.10	Number of gymnasium and recreational facilities provided for staff						
<b>2.3</b>	<b>Community support and investment</b>						
2.3.1	Total number of employees involved in voluntary community activities						
2.3.2	Total time (hours) spent by employees in voluntary community activities						



2.3.3	Donations per capita (based on total number of employees in the workforce)						
2.3.4	Gifts-in-kind						
2.3.5	Value of donations to orphanages						
2.3.6	Number of boreholes constructed						
2.3.7	Value of sports sponsorships						
2.3.8	Value of hostels and lecture theatres provided						
2.3.9	Value of schools/classroom blocks donated and renovation of schools						
2.3.10	Value of transportation vehicles donated						
2.3.11	Value of hospital equipment provided						
2.3.12	Number of employee seconded to a community organization						
2.3.13	Value of furniture or equipment donated [in estimated market value]						
2.3.14	Others (Please specify)						
<b>2.4</b>	<b>Number of community complaints resolved via grievance mechanisms</b>						
<b>2.5</b>	<b>Third party E&amp;S standards</b>						
2.5.1	Number of suppliers, contractors and third party service providers screened						
2.5.2	Number of third party relationships exited due to poor E&S performance/standards or lack of E&S policies						
<b>3 Principle 3: E&amp;S Management System for Business Activities</b>							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks
3.1	Number of transactions assessed for human rights risks such as child labour, discrimination on the basis of gender, ethnicity, religion, political persuasion, etc						
3.2	Number of retired employees granted access to free health care						
<b>4 Principle 4: Women's Economic Empowerment</b>							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks
4.1	Total number of female employees						
4.2	Attach a list of female employees by business unit						
4.3	Number of female employees in management positions						
4.4	Number of female on Board of Directors						
4.5	Total expenditure on capacity building for female employees						
4.6	Number of reported regulations against women (e.g. discouraging women from marrying or having children until after a defined period of employment)						
4.7	Number of repealed regulations barring women from registering their spouses for health benefits and/or claim allowances for their husband and children						
4.8	Number of new female-oriented products and services developed and brought to market						
4.9	Number of loans made to women:						
	(a) Individuals						
	(b) Women-owned businesses						
4.10	Total value of all lending made to women:						
	(a) Individuals						
	(b) Women-owned businesses						
<b>5. Principle 5: Financial Inclusion</b>							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks
5.1	Number of new/innovative products or service offerings designed for disadvantaged groups and amounts involved.						
5.2	Number of previously unbanked individuals who received financial services or products for the first time						
5.3	Attach a list of agent banks established by state						
5.4	Number of individual and SME accounts held with the bank						
5.5	Number of branches that can be easily accessed by physically challenged persons						

6 Principle 6: E&S Governance							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks
6.1	Review of E&S Governance						
6.2	Number of Internal audit reviews conducted to assess progress and monitor effectiveness of E&S governance structures						
6.3	External audit conducted to review the bank's compliance with Sustainable Banking (Answer yes or no)						
7 Principle 7: Capacity Building							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks
7.1	<b>Training:</b>						
7.1.1	Sustainable Banking training programs developed and delivered including:						
7.1.1.1	Number						
7.1.1.2	Format (Attach)						
7.1.1.3	Content (Attach)						
7.1.1.4	Number of participants trained and in what functions/roles within the Bank (Attach)						
7.2	<b>Number of other capacity building activities:</b>						
7.2.1	General awareness raising						
7.2.2	Seminars						
7.2.3	Press releases & bulletins						
7.2.4	In-plant programmes						
7.2.5	Study tours, knowledge sharing, community of practice						
8 Principle 8: Collaborative Partnerships							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks
8.1	Membership and/or leadership roles in Nigerian sector-wide Sustainable Banking initiatives, programs or working groups (Attach)						
8.2	Membership and/or leadership roles in International Sustainable Banking or other sustainability-related initiatives, forums, or events (Including the Equator Principles) (Attach)						
8.3	Number of participations in peer review programmes						
8.4	Participation in virtual networks on Sustainable Banking e.g. IFC's e-Collaborate						
8.5	Number of international Development Finance Institution(s) collaborated with on sustainability issues.						
8.6	Collaboration with development finance institutions						
9 Principle 9: Reporting							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks
9.1	Confirmation of Sustainable Banking inclusions in Annual Report or publication of standalone Sustainability Report (Answer yes or no)						
9.2	Confirmation that reporting is consistent with requirements specified by the CBN (Answer yes or no)						
SECTORAL REPORT							
1 AGRICULTURE							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks
1.1	<b>Number of agriculture-related transactions booked:</b>						
1.1.1	Total						
1.1.2	By NIRSAL value chain category and name (attach)						
1.1.3	By type of commodity (attach)						
1.2	<b>Value of agriculture-related transactions booked:</b>						
1.2.1	Total						
1.2.2	By NIRSAL value chain category and name (attach)						
1.2.3	By type of commodity (attach)						
1.3	<b>Number of agriculture-related transactions screened/assessed for E&amp;S risks</b>						
1.3.1	By state (attach)						

2 POWER							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks
<b>2.1</b>	<b>Number of power-related transactions booked</b>						
2.1.1	Total						
2.1.2	By category:						
2.1.3	Power generation sources and associated facilities						
2.1.4	Electricity transmission						
2.1.5	Electricity distribution						
<b>2.2</b>	<b>Value of power-related transactions booked</b>						
2.2.1	Total						
2.2.2	By category:						
2.2.3	Power generation sources and associated facilities						
2.2.4	Electricity transmission						
2.2.5	Electricity distribution						
<b>2.3</b>	<b>Number of power-related transactions screened/assessed for E&amp;S risks</b>						
<b>2.4</b>	<b>Number of high-risk transactions</b>						
<b>2.5</b>	<b>Number of medium-risk transactions</b>						
<b>2.6</b>	<b>Amount of lending to:</b>						
2.6.1	Energy efficiency projects						
2.6.2	Clean Technology						
2.6.3	Renewable energy (please specify: solar, clean coal, wind, biomass, etc.)						
3 OIL AND GAS							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date	Remarks
<b>3.1</b>	<b>Number of oil &amp; gas related transactions booked:</b>						
3.1.1	Total						
3.1.2	By category:						
3.1.2.1	Upstream						
3.1.2.2	Midstream						
3.1.2.3	Downstream						
3.1.2.4	Servicing (i.e. provision of technical support services for the upstream, midstream and downstream segments in the areas of drilling, well completion, well simulation, logistics, equipment supplies, etc.)						
<b>3.2</b>	<b>Value of Oil and Gas-related transactions booked:</b>						
3.2.1	Total						
3.2.2	By category:						
3.2.2.1	Upstream						
3.2.2.2	Midstream						
3.2.2.3	Downstream						
3.2.2.4	Servicing						
<b>3.3</b>	<b>Number of Oil &amp; Gas-related transactions screened/assessed for E&amp;S risks</b>						
<b>3.4</b>	<b>Number of transactions by E&amp;S Categorisation (A, B or C)</b>						