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| sECURITIES AND EXCHANGE COMMISSION |
| DRAFT REPORTING TEMPLATE ON SUSTAINABLE FINANCIAL PRINCIPLES FOR THE NIGERIAN CAPITAL MARKET |
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Principle 1: Environmental, Social and Governance (ESG) Considerations

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| * Regulated entities should put in place effective governance structures and consider the impact of their operations and activities on the environment and society.
* The entities should innovate and implement measures that promote the good of the communities and the natural environment in which they operate. Factors to be considered include:
* Efficient use of resources, such as energy and water;
* Effective waste management;
* Compliance with applicable labour and social standards; and
* Alignment of their community development programmes with Nigeria’s overall goal for sustainable economic and social development.
* They should establish appropriate ways to encourage and promote desired behaviours of employees to meet ESG standards.
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### Kindly disclose the implementation status of Principle 1 in your entity by ticking ( √ ) in the appropriate cells in the table below and offer a brief description of your efforts so far.

| **Indicators** | **Completed** | **In progress** | **Yet to start** | **Not applicable** | **Brief description of action(s) taken towards implementation** |
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| * 1. Entities should develop appropriate policies to integrate ESG considerations into decision-making processes and enterprise risk management framework.
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| * 1. Entities should also develop robust and transparent procedures, which entail clear governance structures, limits of authority, standards and codes of conduct, to support implementation of their policies and the Principles.
 |  |  |  |  |  |
| * 1. Entities should put in place programmes for managing their environmental and social footprints[[1]](#footnote-1). The programmes should reduce greenhouse gas emissions, promote efficient use of water and energy, and improve waste and construction management.
 |  |  |  |  |  |
| * 1. Entities should outline the minimum labour and social standards they will apply in managing their operations consistent with good practice, such as the United Nations Declaration of Human Rights and the International Labour Organisation Charter.
 |  |  |  |  |  |
| * 1. Entities should develop and promote investment in community projects and initiatives with the aim of contributing to the sustainable development of their host communities.
 |  |  |  |  |  |
| * 1. Entities should articulate, in their sustainable finance policies and procedures, ESG procurement standards for suppliers, contractors, and other third party service providers
 |  |  |  |  |  |
| * 1. Entities should monitor their service providers to ensure compliance with the ESG standards.
 |  |  |  |  |  |
| * 1. Entities should regularly conduct internal reviews of the integrity and quality of ESG practices and procedures for continuous improvement. External audit of ESG practices and procedures may also be undertaken.
 |  |  |  |  |  |
| * 1. Entities should set criteria for reporting their ESG risk assessment processes on their business operations and activities.
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Principle 2: Collaborative Partnership and Capacity Building

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| Regulated entities should collaborate with stakeholders to raise awareness on ESG issues, build capacity, manage risks, develop innovative solutions and promote widespread action across the Nigerian financial system. |

### Kindly disclose the implementation status of Principle 2 in your entity by ticking ( √ ) in the appropriate cells in the table below and offer a brief description of your efforts so far.

| **Indicators** | **Completed** | **In progress** | **Yet to start** | **Not applicable** | **Brief description of action(s) taken towards implementation** |
| --- | --- | --- | --- | --- | --- |
| 1. Develop an ESG policy e.g. sustainable policy – to serve as a tool and strategic framework to guide and support the entities in the delivery of its sustainable agenda.
 |  |  |  |  |  |
| * 1. Dedicate Environmental Sustainable Office (ESO) to work assiduously in enshrining in the organization the workings of its sustainable policies.
 |  |  |  |  |  |
| * 1. Develop structural mechanisms to guide the implementation of the structural policies and guidelines.
 |  |  |  |  |  |
| * 1. Have an internal capacity to support the implementation of sustainable policies and guidelines.
 |  |  |  |  |  |
| * 1. Engage and created the buy in of key stakeholders to support the implementation of the policies.
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| * 1. Develop and implement the entity’s sustainable strategy.
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Principle 3: Financing of Priority Sectors of the Economy

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| * Regulated entities should promote financing of priority sectors of the economy, while ensuring balance with ESG considerations.
* In consideration of the nationwide efforts to catalyse the national economy, entities are expected to contribute to national rebirth by supporting priority sectors of the economy. To this end, entities should measure and disclose the level to which they have supported priority sectors.
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### Kindly disclose the implementation status of Principle 3 in your entity by ticking ( √ ) in the appropriate cells in the table below and offer a brief description of your efforts so far.

| **Indicators** | **Complete** | **In progress** | **Yet to start** | **Not applicable** | **Brief description of action(s) taken towards implementation** |
| --- | --- | --- | --- | --- | --- |
| * 1. Entities should on the basis of verifiable business plans/feasibility reports identify priority sector(s) in which they operate by way of providing financing/carrying out investments.
 |  |  |  |  |  |
| * 1. Entities should disclose products and services designed to facilitate financing of priority sectors of the economy.
 |  |  |  |  |  |
| * 1. Entities should report the monetary value of actual investments undertaken in/products and services invested in financing of priority sectors of the economy.
 |  |  |  |  |  |
| * 1. Entities should record and report total monetary value of assistance received from government(s) for financing/investing in priority sectors of the economy. This should cover items such as:
* Subsidies
* Tax reliefs and tax credits
* Financial incentives
* Royalty holidays
* Export promotion grants
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Principle 4: Human Rights, Women’s Economic Empowerment, Job Creation and Financial Inclusion

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| Regulated entities will respect human rights, promote women’s economic empowerment, support job creation and enhance financial inclusion. |

### Kindly disclose the implementation status of Principle 4 in your entity by ticking ( √ ) in the appropriate cells in the table below and offer a brief description of your efforts so far.

| **Indicators** | **Complete** | **In progress** | **Yet to start** | **Not applicable** | **Brief description of action(s) taken towards implementation** |
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| * 1. Entities should balance the ratio of employment between men and women and bridge the gap in favour of women.
 |  |  |  |  |  |
| * 1. Entities should encourage policies that better the lots of women, for e.g. building crèche; increasing the current maternity leave from 3 months to 6 months; setting up of standing committees and by-laws to protect sexual harassment in offices; improving on toilet facilities to cover sanitary requirements;
 |  |  |  |  |  |
| * 1. Equal opportunities with respect to positions and capacity building;
 |  |  |  |  |  |
| * 1. Quarterly seminars/sessions on economic savings and empowerment;
 |  |  |  |  |  |
| * 1. Entities should collaborate on how to design programs/projects that will encourage macro small medium enterprises to be active in the financial market.
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Principle 5: Reporting and Disclosures

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| * Regulated entities should regularly report their progress in implementing these principles and require organisations they supervise and/or finance to make appropriate disclosures on their ESG issues.
* Entities should recognise that sustainability issues have gained global recognition and acceptance as such businesses are increasingly assessed on the importance they attach to sustainability issues.
* Entities should seek to report on their sustainability practices in a manner that allows stakeholders to take informed decisions.
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### Kindly disclose the implementation status of Principle 5 in your entity by ticking ( √ ) the appropriate cells in the table below and offer a brief description of your efforts so far.

| **Indicators** | **Complete** | **In progress** | **Yet to start** | **Not applicable** | **Brief description of action(s) taken towards implementation** |
| --- | --- | --- | --- | --- | --- |
| * 1. Entity should report ESG issues annually either on a stand-alone basis or as an integral part of its annual report to stakeholders. The timing of the reporting should be the same as the financial performance report of the organization.
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| * 1. Entities should articulate clear goals, targets and measurement indicators for each Principle.
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| * 1. Entity should develop a reporting template that is incorporated into its management information system. Reports should demonstrate progress against the indicators set for each Principle.
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| * 1. Entity should define the scope of its activities and identify stakeholders in its ESG report
 |  |  |  |  |  |
| * 1. Entity’s ESG performance should be reported in relation to local or global expectations its ESG report
 |  |  |  |  |  |
| * 1. Entity should concentrate on aspects of operations that have significant ESG impacts that may influence the decisions of stakeholders in its ESG report
 |  |  |  |  |  |
| * 1. ESG Reporting should be transparent and comprehensive covering both positive and negative aspects of performance
 |  |  |  |  |  |
| * 1. Information in ESG report should be presented in a consistent manner so as to allow for comparison over a period of time.
 |  |  |  |  |  |
| * 1. In ESG reporting, ambiguity should be avoided. Information is to be presented in clear and understandable manner.
 |  |  |  |  |  |
| * 1. All information used to prepare the performance report should be gathered, recorded, compiled, analyzed and disclosed in such a manner as to allow for independent examination to establish the quality and materiality of the information. Entities should adopt the GRI or any other internationally recognized reporting standard in preparing their report.
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1. [↑](#footnote-ref-1)