

UNEP FI Principles for Responsible Banking

SELF REPORTING ASSESSMENT TEMPLATE - JAIZ BANK REPORT 2022

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>Principle 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.</p>		
<p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Jaiz Bank Plc is the premier Non-Interest (Islamic) Financial Institution operating across the six geo-political zones in Nigeria. Our products and services offerings span across Personal Banking, Corporate banking, Trade Finance, Agricultural Finance, and MSME banking, and for all spheres of people irrespective of tribe, religion, or ethnicity.</p> <p>As a result of the Bank's strategic mandate towards process and digital transformation, the Bank delivers its products and services with the swiftness and alertness that our customers demand through our various digital platforms.</p>	<p>Details available on our Jaiz Bank Plc website - About</p> <p>Link: https://jaizbankplc.com/about-jaiz-bank/</p>
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Guided by Shariah Principles, Jaiz Bank continually ensures that its business activities and operations are conducted fairly and justly. To further depict the alignment of our strategy to the relevant frameworks and agreement, the Bank has embedded Sustainability as a distinct pillar, among the four pillars of the overall strategy, and three clear sustainability pillars in which we continually report our implementation progress journey.</p> <p>This implies that Sustainability is at the core of our business decisions as a Bank, and we shall continue to implement all set targets.</p>	<p>Details available in our Jaiz Bank Year 2022 Sustainability Report:</p> <p>Link: https://jaizbankplc.com/investor-relations/others/</p>

Principle 2: Impact and 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.

<p>2.1 Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) <u>Scope</u>: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under I.I. have been considered in the scope of the analysis.</p> <p>b) <u>Scale of Exposure</u>: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) <u>Context & Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p>d) <u>Scale and intensity/salience of impact</u>: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<p>In line with one of the Bank’s sustainability pillars “Responsible Business Activities”, we have continued to foster significant positive impact in the key areas such as our financial inclusion drive and the agriculture sector.</p> <p>Leveraging on E&S risk assessment to identify the challenges in these areas, improving our positive impacts through increased financing, and partnering with relevant bodies such as the Agricultural Financing for Agri-Based Enterprises in Rural Areas – Nigeria Project- AgFin, a GIZ funded project to support Small Holder Farmers (SHFs) have helped make the expected progress.</p>	<p>Details available in our Jaiz Bank 2022 Annual Reports and Accounts, and our Jaiz Bank Year 2022 Sustainability Report:</p> <p>Link: https://jaizbankplc.com/investor-relations/others/</p>

<p>2.2 Target Setting</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>For year 2023, SMART targets have been set across the three sustainability pillars that we have reported on. We also continue to engage relevant stakeholders across board, to critically review and agree on achievable goals.</p> <p>The stakeholders will continue to have regular meetings to review progress on these set targets while making amendments when and where required.</p>	<p>Details available in our Jaiz Bank Year 2022 Sustainability Report:</p> <p>Link:</p> <p>https://jaizbankplc.com/investor-relations/others/</p>
<p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p>2.3 Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>To ensure appropriate implementation through proper monitoring and evaluation, the Bank have in place, a robust Risk Management framework, and Team, who collaborates with other stakeholders for progress, and better reporting.</p>	
<p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		

<p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p>The progress achieved over the last 12 months are indicated in the "A Selection of Our 2022 Sustainability Highlight".</p>	<p>Details available in our Jaiz Bank Year 2022 Sustainability Report:</p> <p>Link:</p> <p>https://jaizbankplc.com/investor-relations/others/</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>		
<p>Principle 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.</p>		
<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>Customer engagements, especially promoting financial inclusion through our Jaiz Financial Inclusion Centers (JAFIC), empowering women to bridge the gender inequality in mostly the remote communities of our country of operation are some of the aspects the Bank has continued to leverage upon.</p> <p>Also, maximizing partnerships to promote sustainable agriculture, while creating avenues such as workshops and seminars programmes to further help our customers grow sustainably is a top priority for the Bank.</p>	<p>Details available in our Jaiz Bank 2022 Annual Reports and Accounts, and our Jaiz Bank Year 2022 Sustainability Report:</p> <p>Link:</p> <p>https://jaizbankplc.com/investor-relations/others/</p>
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>We have engaged and continue to identify and collaborate with companies and organizations to promote sustainable practices. Partnering and building solid relationships. Some of these include:</p> <ul style="list-style-type: none"> ❖ Partnering with the Promotion of Agricultural 	<p>Details available in our Jaiz Bank 2022 Annual Reports and Accounts.</p>

	<p>Finance for Agri-Based Enterprises in Rural Areas – Nigeria Project- AgFin, a GIZ funded project to support Small Holder Farmers (SHFs), reduce poverty level, reduce hunger, and promote sustainable jobs.</p> <ul style="list-style-type: none"> ❖ Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), where the Bank acted as fund manager for a Conditional Grant Scheme Program to vulnerable and small business holders, and also joint financing to finance businesses in the MSME space in more than 10 states in Nigeria. ❖ Collaboration with the Abuja Enterprise Agency (AEA) in implementation of the N-cares project which focuses on facilitating recovery on MSE's negatively impacted by the COVID-19 pandemic and will support MSE's with overheads, technology, and co-financing grants. 	
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Principle 4: Stakeholders
We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>Continuous consultation and collaboration with our regulatory authorities (e.g., the CBN on Sustainable Banking Practices) and other areas, the local communities, including internal stakeholders such as other financial institutions, to ensure that we collectively achieve our set goals.</p>	<p>Details available in our Jaiz Bank Year 2022 Sustainability Report "stakeholder engagement":</p> <p>Link: https://jaizbankplc.com/investor-relations/others/</p>
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Principle 5: Governance & Culture
We will implement our commitment to these Principles through effective governance and a culture of responsible banking

<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>We have put in place governance structure from top executives to sustainable champions to drive the implementation and ensure we achieve the set targets in the implementation of the Principles for Responsible Banking, and the Bank's Sustainability Practices as a whole. The Bank's risk management is overseen by the Board Risk Management Committee at the Board level. Also in place is a well-structured Enterprise Risk Management Team, and robust Risk Management Framework that addresses the impacts of our financing to the People and communities where we operate.</p>	<p>The Bank's governance structures are indicated in our 2022 Annual Reports and Accounts, and Jaiz Bank 2022 Sustainability Report,</p> <p>Link: https://jaizbankplc.com/investor-relations/others/</p>
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>Capacity building programmes are continuously at the core for the bank. Through our bankwide knowledge sharing sessions, and our E-Learning Management System, we have constantly communicated on these principles, and the ESG potential impacts (positive and negative) to all employees.</p> <p>We also continue to engage our Corporate Communications Department to ensure contact awareness are created around the Principles that the Bank has signed on to.</p>	<p>Indicated in "Sustainability Pillars to Action" section in our Jaiz Bank Year 2022 Sustainability Report</p> <p>Link: https://jaizbankplc.com/investor-relations/others/</p>
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. 	<p>Our governance structure is indicated in our year 2022 Sustainability report.</p>	<p>Indicated in our Year 2022 Sustainability Report.</p> <p>Link: https://jaizbankplc.com/investor-relations/others/</p>
<p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>Principle 6: Transparency & Accountability</p>		

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.

<p>6.1. Progress on Implementing the Principles for Responsible Banking</p> <p><i>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</i></p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</i></p>	<p>In compliance to Principle 6: Transparency & Accountability, our progress report, and the year 2022 stand-alone Sustainability report is thus produced.</p>	<p>Link: https://jaizbankplc.com/investor-relations/others/</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

Jaiz Bank with the support of the UNEP FI Team and the various Stakeholders (internal and external) has so far been able to achieve the progress being reported in our year 2021 Sustainability report, and as highlighted above. Some challenges were experienced such as data gathering for impact review, and inadequate resource required. However, despite these challenges, we are excited that we recorded progress.

As a Bank that is focused on promoting sustainability and the six PRB Principles, we will continue to strive to achieve milestone progress on our implementation journey, ultimately creating the desired positive impacts to the People and Planet in our drive to make Profit.

We will continue to collaborate respective stakeholders on this journey because we understand that we cannot do it alone.