

**GROUP ENVIRONMENTAL & SOCIAL
MANAGEMENT SYSTEM (ESMS)**

Preamble

The purpose of this document is to:

- i. Formalize Environmental and Social Management System in UBA Group and also provide guidelines for the introduction, development, maintenance and exercising of a proactive Environmental and Social Management System and procedures;
- ii. Address the impacts of its lending/financing activities in a responsible manner; and
- iii. Put in place a framework which shall ensure that UBA Group remains sensitive to the Environmental and Social impact of its physical developmental activities and those of its customers.

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1.0 Policy Statement

The development of an Environmental and Social Risk Management System is a demonstration of United Bank for Africa Plc and its Subsidiaries (hereinafter referred to as UBA Group) commitment towards supporting an environmental protection and conservation culture in both its own operating environment and with all the parties as it relates to our lending activities. As a Global financial institution with footprint in 20 African countries including Nigeria, UBA wants to ensure that its lending activities align with best standard practice of environmental & social risk management and national laws while been guided by our Vision, Mission and Philosophy.

- UBA Group Credit Risk Management Policies, Group Operational Risk Management Policy and Group Safety and Physical Security Risk Management Policy shall carry provisions that reflect our environmental and social policy standards particularly, as they relate to Multilateral Development Banks (MDB) and all UBA funded projects / facilities. These

Group Environmental & Social Management System

provisions shall ensure that no harm shall be done to the environment, the people and at the very minimum comply with national laws in the country of operations

UBA Group will contractually oblige its borrowers and investment banking clients to comply with all relevant environmental and social requirements. This may include, but it is not limited to, compliance with UBA Exclusion List, applicable local environmental and social laws and regulations in the country of operations, ILO Core Labour Standards, and the IFC Performance Standards.

UBA Group Environmental and Social Management System covers our comprehensive business operations and endeavors to achieve minimum adverse impact on the environment in the scope of its business activities.

As Africa's Global Bank with footprint in 20 countries in Africa, the only Sub-Saharan African bank with Branch in New York USA, wholesale bank in London U.K, and presence in Paris France, It is the commitment of the Executive Management of the Bank, with the full backing of the Group Board of Directors, that its lending activities should not result in environmental degradation or be harmful to the community and its people.



Kennedy Uzoka

Group Managing Director/CEO

2.0 Our Vision in Environmental & Social Management System

To create and sustain best practice in Environmental and Social Management that meets international standard requirements.

i Our Mission in Risk Management

To be the industry benchmark in Environmental and Social Risk Management.

ii Our Philosophy – we shall

- a. Proactively identify and manage identified risks that may impact Environmental and Social Management System objectives in the Group, by striving to meet best practice

standards in risk management as defined by local and international regulatory bodies and market leaders.

- b. Maintain a holistic approach to risk control by placing all risk and control functions under one umbrella.
- c. Promote an enterprise-wide risk management culture and ensure that every member of staff is involved in the process.
- d. Recognize that the long-term survival of our institution depends on our resolve and discipline to abide by sound risk management practices and corporate governance principles and ensure that where there is a conflict between risk and revenue considerations, we have the courage of conviction to make risk management take pre-eminence.
- e. Engage the Board of Directors and senior management and other personnel of UBA Group in the Environmental and Social Management System (ESMS) and control process.
- f. Ensure that our ESMS reports are integral to the management process to provide a continuous basis for reviewing corporate strategies, products pricing, performance appraisal, consequence management, provisioning and capital calculations.

iii Compliance with Local and International Regulations

Compliance with local and international regulatory/statutory provisions and international conventions at all times such as:

- a. All relevant environmental and social laws relevant in Nigeria and all other countries where UBA Group operates.
- b. Nigeria Sustainable Banking Principles.
- c. IFC Performance Standards.
- d. Basel II guidelines on Operational Risk Management process.

iv Best Practice Environmental and Social Management System

- a. Strong and visible commitment from top management.
- b. Central oversight of risk management across the Group.

- c. Establishing a risk management function that is independent of direct risk takers. Separate Risk Management function from the Risk generating units.
- d. Clear-cut policies and guidelines.
- e. Best practice infrastructure.
- f. The recognition by UBA Group of Environmental Risk Management as an important area of corporate development and acceptance of sustainable development as a crucial part of responsible business management. We are committed to ensuring that our business operations do not degrade the environment or cause social harm.
- g. The ESMS shall be aligned with the philosophy of conducting business in a responsible, fair, and honest manner and in keeping with government legislations and standards on environmental protection.
- h. Although the nature of our business activities is not necessarily harmful or threatening to the environment, there shall be need to ensure that those of the businesses which we shall finance directly or indirectly conform to minimum acceptable Environmental and Social sustainable standards.
- i. UBA Group is committed to complying with relevant Environmental and Social legislations and regulations relevant to its operations, as well as abiding by best practice where appropriate. This document therefore supports international conventions on the environment and the scope of regulating Nigerian legislation.

v Objective of Environment and Social Management System

- a. The objective of this document/ Environment and Social Management System is to introduce environmental and social standards that UBA has to comply with when formulating business decisions, implementing its business strategies and operating from various facilities. In so doing, UBA Group shall be able to protect its assets, shareholders, clients and other stakeholders and support sustainable development of the environment.

- b. UBA Group shall remain sensitive to the protection and conservation of the environment and social values when dealing with third parties and clients whose activities may influence environmental and social matters.
- c. The Environmental and Social Management System shall cover key performance area indicators and identify the responsibility of staff for ensuring compliance with this document. Introducing the document shall also ensure that the Group staff shall be sensitized positively regarding environmental and social matters.
- a. The Bank shall pursue appropriate Climate targets by preparing a Transition framework at a time that may be determined by the board. The objective amongst others shall include the bank's net zero strategies.

3.0 Scope of UBA Environmental and Social Management System.

The UBA Group Environment and Social Management System is applicable to the Lending and Investment Banking Divisions/ Subsidiaries of the Group.

The Group's Environment and Social Management System requires that all transactions financed must fully comply with all relevant environmental and social legislation and regulations as stipulated by local country legislation, the UBA Group Exclusion List and the applicable IFC Performance Standards.

For the application of the Performance Standards, all high risk transactions (Category A transactions) and transactions with an investment amount greater than US\$ 1,000,000 and a payback period of greater than 1 year must comply with the International Finance Corporation (IFC) Performance

Standards²³ and relevant World Bank Environmental, Health and Safety (EHS) Guidelines overtime. All category B and C projects with investments size of less than USD 1,000,000 must comply with the Exclusion List and Nationals laws in the country of operation.

The Group will contractually oblige its borrowers and investment banking clients to comply with all the relevant environmental and social requirements.

The Central Bank of Nigeria in September 2012 issued the Nigerian sustainable Banking Principles (NSBP) and directed banks to adopt same. UBA Group has adopted this in its lending activities.

- i Principle 1 – Managing environmental & social risks in our business operations.
- ii Principle 2 – Managing the Bank's own environmental & social foot print.
- iii Principle 3 - Human Right
- iv Principle 4 - Women's Economic Empowerment
- v Principle 5 - Financial Inclusion.
- vi Principle 6 - Environmental and Social Governance
- vii Principle 7 - Capacity building
- viii Principle 8 - Collaborative Partnership
- ix Principle 9 – Reporting

For details of the principles, please see Appendix 1.

UBA Group has also chosen to comply with the IFC Performance standards for relevant transactions, and these are listed below.

IFC Performance Standards:

- (i) Assessment and Management of Environmental Social Risk and Impacts.
- (ii) Labour and Working Conditions
- (iii) Resource, Efficiency and Pollution Prevention
- (iv) Community Health, Safety & Security
- (v) Land Acquisition and Involuntary Resettlement
- (vi) Bio-Diversity, Conservation and Sustainable Management of Living Natural Resources
- (vii) Indigenous Peoples (viii) Cultural Heritage

For full details, please, see Appendix 2.

3.1 Implementation of the Group Environmental & Social Management System at UBA subsidiaries

At all UBA Group locations, the Environment and Social Management System shall be domesticated in line with relevant local laws and regulations to enable adoption and implementation within appropriate Entities. Such domestication for adoption shall be approved in line with the provisions of the Governance Framework.

The MD/CEO at the subsidiary shall adopt this Environment and Social Management System and ensure it is fully implemented in all Subsidiary lending activities as defined in the scope (see Section 3.0).

3.2 Associated Documents

3.2.1 Associated Documents - Internal

This document shall be read along with the following policies of the Bank:

- i. Group Safety and physical security risk management policy
- ii. Group Credit Risk Management Policy
- iii. Group Health, Safety and Physical Security Policy
- iv. Group Corporate and Social Responsibility Policy
- v. Group Staff Handbook
- vi. Group Sustainability Banking Framework
- vii. Group Banking Relationship with Educationally and Physically Challenged Customers
- viii. Group Branch Development Framework
- ix. Group Operations Policy and Control Manual
- x. Group Operational Risk Management policy
- xi. Group Internal Communication Policy

- xii. Group External Communication Policy
- xiii. Group Empowerment Policy

3.2.2 Associated Documents - External

In developing the Environment & Social Management System, references have been made to the following legislations and organization.

- i. Nigerian Constitution
- ii. Federal Environment Protection Agency Act
- iii. State Environmental Protection Agency Acts
- iv. National Health Insurance Scheme
- v. Tobacco Products Control Act
- vi. Nigerian River Basin Authorities Development Act
- vii. Nigerian Road Building Research Agency Act
- viii. Nigerian Building Regulations Act
- ix. National Maritime and Safety Agency Act
- x. Nigerian Conservation Foundation Act
- xi. Nigerian Wild Life Protection Agency Act
- xii. Capital Development Authorities in various States
- xiii. Federal Capital Development Authority
- xiv. Nigerian Coastal Line Protection Act
- xv. Central Bank of Nigerian Minimum Security Requirements in Bank Locations
- xvi. International Convention on Environment: 1992 Earth Summit
- xvii. Integrated Safeguards Systems of African Development Bank – Safeguards and sustainability Standards 2013
- xviii. Sustainability Banking Principles of the Central Bank of Nigeria

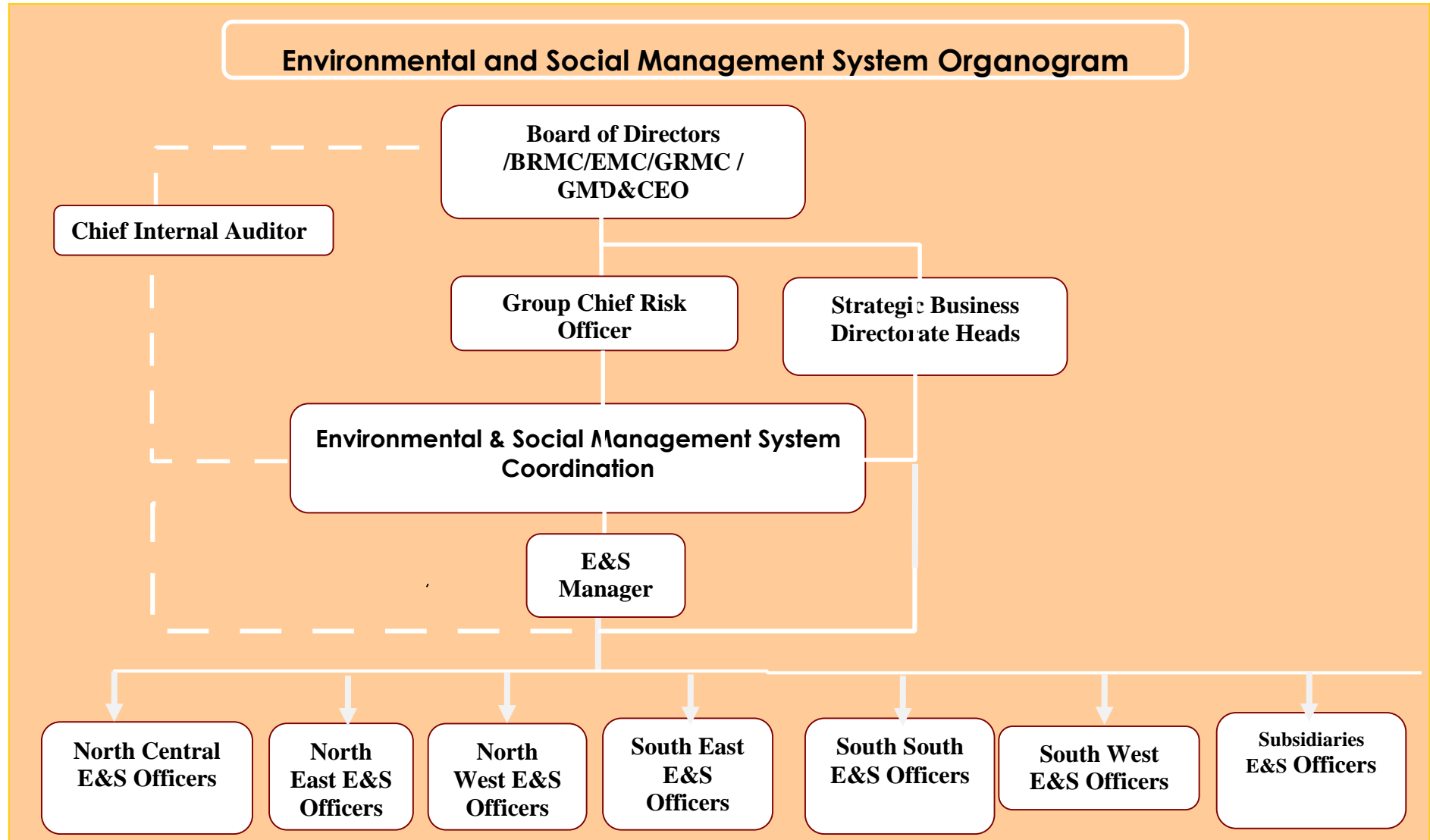
3.2.3 Awareness and Communication of Environment and Social Management System. The document owners are responsible to make all UBA Group Employees aware of its content. The actions the employees are expected to take in this document will be clearly communicated to them.

3.3 Document Ownership

3.3.1 The owner of this document is the UBA Group Chief Risk Officer.

3.4 Document Review

3.4.1 The document shall be reviewed as a result of changes in laws and applicable regulations and in line with the provisions of the Governance Framework, as approved by the Board of Directors.



4.0 Figure 1 - Organogram of ESRM unit

4.1 UBA Group Environment and Social Management System Roles & Responsibilities

Board of Directors (BOD), Board Risk Management Committee (BRMC), Executive Management Committee (EMC), Group Risk Management Committee (GRMC) & Group Managing Director / Chief Executive Officer (GMD/CEO)

- i. BOD and BRMC shall be responsible for the approval of this document.
- ii. EMC/GRMC shall be responsible for reviewing and submitting document for approval through the Board Risk Management Committee by Board of Directors.
- iii. GCRO and GMD/CEO shall ensure that the document is communicated and implemented across the Group.

4.2 Environment and Social Management System Coordination

Environmental and Social Risk Coordination shall be a department under the supervision of the GCRO with the responsibility of coordinating ESMS activities in the Group. All E&S Officers shall report to the E&S Manager

4.2.1 E&S Manager

The E&S Manager shall be a competent independent Officer, who takes decisions on E&S issues.

Role of E&S Manager

- I. Design and develop ESRM Procedures and coordinate the ESRM Policy definition process
- II. Review E&S risks of clients and transactions escalated for approval from SBUs
- III. Refer clients and transactions to the MCC where material E&S issues require further review

4.2.2 E&S Officers

In line with the approved structure, the E&S Officers, are designated Regional Credit Officers (RCO) for each of the Geopolitical Zones in Nigeria and Subsidiaries as follows:

- i South West - Lagos Mainland, Victoria Island & Ibadan Zones
- ii South East – Enugu, Owerri & Akwa Zones
- iii South – Benin, Asaba, Uyo and PH Zones
- iv North Central – Ilorin, Jos, Nasarawa & Abuja Zones
- v North East – Maiduguri Zone
- vi North West – Kano & Sokoto Zones
- vii Subsidiaries.

The RCOs shall ensure the Environment and Social Management System is domesticated across the regions and Subsidiaries.

Role of E&S Officer

- I. Include ESRM reports to all credit facility requests
- II. Review and confirm initial screening and risk assessment outcomes for clients and transactions identified as low risk.
- III. Review and confirm E&S categorisation for Category C projects with Low risk client assessments.
- IV. Review E&S risk issues of clients and transactions escalated for further due diligence by Transactors.
- V. Conduct customer and project site visits where additional E&S due diligence is beneficial
- VI. Escalate clients and transactions to the E&S Risk Manager where material E&S issues are unresolved and further review is necessary.

4.2.3 Functions of the Environment and Social Management System

Coordinator – E&S Manager

- i Develop guidelines that will facilitate the implementation of the Environmental and Social Management System subject to the approval of the GCRO;
- ii Provide comprehensive Environmental and Social Management System strategy to ensure that Environmental and Social Management System

Program is implemented and retained;- iii Develop UBA Group Environmental and Social Management System standards and guidelines to support the UBA Group activities;
- Educate and train personnel to imbibe Environmental and

Social Management System culture. Training shall encompass culture, awareness raising and process/tasks;

iv Develop and maintain a centralized platform that will support the UBA Group Environmental and Social Management System and process; v Co-ordinate communication and co-operation between divisions to increase Environment and Social Management System implementation as in their activities;

vi Set guidelines and minimum standards for implementing and reviewing environmental and social objectives and targets, and assessing performance against such targets;

vii Co-ordinate reporting of Environmental and Social Management System performance information; viii Submit annual performance report for Category A projects and annual performance reports for Categories B & C projects financed by Money Deposit Banks (MDBs) with respect to continued compliance with environmental and social policy standards to

Group Environmental and Social Management System; ix Work with the assistance of the Group's Legal Department, MDBs and external consultants to set up and maintain a database of local and regional legislations and regulations related to environmental and social issues;

x Maintain a database of recognized certifications for environmental hazard control;

xi Maintain a list of preapproved qualified environmental and social consultants who can be called upon to assist in conducting environmental and social reviews;

xii Ensure full implementation of the Group Environmental and Social Management System as approved by the Board of Directors; xiii Ensure that all new and existing projects conform with the provision of this document;

xiv Review and sign off on all corporate, commercial and special lending proposals to ensure compliance with the provisions of this document and must ensure that such

proposals are not included in the exclusion lists as per this document;

- xv Provide support to the business units regarding decisions involving potential environmental /social risk;
- xvi Ensure the continued existence of a periodic review of the Group Environmental and Social Management System; xvii Monitor compliance with the document and review the performance of UBA Group against set targets; xviii Ensure that sufficient resources be committed to allow the effective implementation of the policies and procedures outlined in this document;
- xix Where applicable, projects to be embarked on by UBA Group and those to be financed directly and / or indirectly are subjected to Environmental Impact Assessment (EIA); xx Budget for the cost to maintain an Environmental and Social Management System;
- xxi Maintain a list of External Consultants for Environmental and Social Audits in line with the requirements of MDBs' requirement

4.3 Role of Group Chief Internal Auditor

4.4 Carry out regular Environmental and Social Management System Audit in order to determine whether procedures are followed, deviation from standard procedures, monitor corrective measures documented and make proper recommendations to GMD and EMC and the Board for changes that may be required. Role of Legal Services

- i. Ensure that appropriate covenants relating to environmental / social measures are incorporated in each loan agreement ii. Monitor changes in Environmental and Social, Health and Safety Legislation and Regulations and alert the E&S Officers and Account Managers of implications of such changes. iii. Seek the services of external Legal Counsel where the inhouse expertise is not available to assist the E&S Officers and Account Officers in drawing up Environmental and Social covenants and warranties.

- iv. Prepare all legal documentations for execution by the UBA Group and the customers on Environmental and Social Management System credit / project finance relationships.

4.5 Role of Relationship Managers

- i. Credit requests comply with the provisions of the **Environment and Social Management System** and are supported by appropriate documentation as detailed under the appendices in this **document**
- ii. Relationship Manager should manage environmental and social non-compliances from the client.
- iii. Provide information for E&S screening and risk assessment steps
- iv. Conduct a complete and accurate E&S risk screening and assessment for each new client and transaction request
- v. Initiate credit requests that meet E&S risk acceptance criteria and target market definition
- vi. Manage E&S risk in line with approved E&S risk management policies
- vii. Proactively identify and develop appropriate responses to E&S risk delinquency in existing exposures on a continuous basis, with the support of SBU E&S specialists.

4.6 Awareness Raising by Group Compliance

- i. An awareness and communication campaign shall be launched to formally introduce the Environmental and Social Management System to management and employees in line with Internal Communication **document** of UBA Group.
- ii. UBA Group shall endeavor to ensure adequate social, environmental and ethical risk management education and awareness among its employees, and to encourage its customers and suppliers to foster openness and dialogue with its employees and the public.

- iii. UBA Group shall guide the use of Social Media Channels in communicating environmental and social risk awareness among its employees and other relevant stakeholders.
- iv. UBA Group shall contribute toward best practice environment risk management **document** in Nigeria and in all other African countries with UBA Group presence.

4.7 Training by UBA Academy

- i. Training on Environmental and Social Management System shall be integrated with the existing Policies training in UBA Group and facilitated by UBA Academy
- ii. Focused Environmental and Social Management System training shall be undertaken for departments whose businesses are particularly affected by Environmental and Social issues such as the credit, property and project finance departments.
- iii. E&S Officers shall be exposed to sound practice training on Environmental and Social Management System through training courses, seminars and attachment programs both locally and internationally.
- iv. As part of Compliance Training program of the Group, Environmental and Social Management System refresher course shall be undertaken by all staff on yearly basis.

4.8 Communication and Reporting

Customer shall be required to commission environmental and social assessment of projects, develop and implement corrective action plans, and ensure that their projects are executed in a transparent manner. UBA shall approach communications and reporting via two means:

4.9.1 Internal

- i. A bank wide knowledge of UBA environmental and social document and its environmental and social management system shall be of prime importance to UBA. To this end, communication of environmental and social matters will be achieved through the various channels:

- a. UBA Group Intranet system shall be used to disseminate information on environmental and social risk matters to employees regularly to update their knowledge.
- b. In-house Newsletters: UBA newsletters shall be used as a medium for informing employees on developments on the environmental aspects of our business.

4.9.2 External

- i. UBA Group annual reports and accounts shall be used as a medium to inform various stakeholders on our Environmental and Social Management System.
- ii. The key elements in the Environmental and Social Management System shall be hosted in the Internet Page to enable external stakeholders have informed opinion on the methodologies adopted by the Bank in the management of environmental and social risk.
- iii. Periodic reports shall be rendered to external stakeholders on projects funded in line with funding governance as established.
- iv. Monitoring and Reviewing of the Environment and Social Management System.
- v. The following tools shall be used in evaluating the Environment and Social Management System:
 - a. Reports of Environmental and Social Management System visits to project sites
 - b. Exception logs – used to track corrective action maintained by E&S Officers

5.0 Environmental and Social Risk Assessment (ESRA) Procedures This section describes the various procedures to be followed by UBA in implementing the Group Environment and Social Management System.

- i. UBA Group and the customer shall jointly be responsible for the implementation of the Group Environment and Social Management System and for developing, as an integral part of project

documentation, an appropriate plan for managing possible environmental and social impacts.

- ii. The relationship managers shall support the due diligence process and ensure that borrowers and clients are fully aware of the policies and procedures, while the E&S Officers shall ensure that deliverables and the compliance process are properly conducted to ensure good quality.
- iii. Please include a deliverable for the E&S manager here. Who quality checks the assessment?

5.1 UBA GROUP CREDIT FLOW PROCESS - E&S ACTIONS

CREDIT FLOW

ESRA Steps and OUTPUT

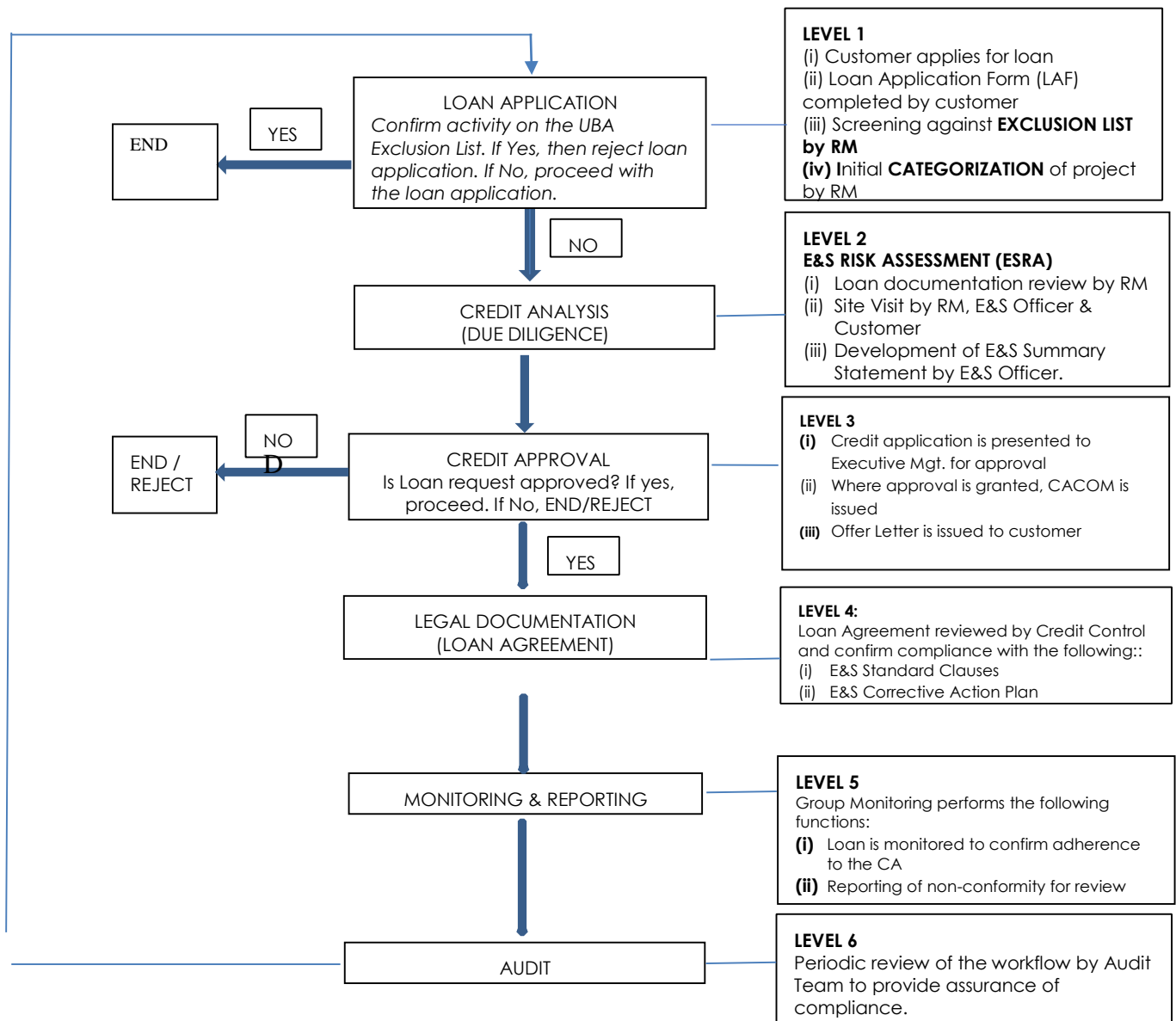


Figure 5.1: UBA Group Credit Flow Process – E&S Inputs

5.2 Environmental and Social Risk Assessment (ESRA) Steps

The following procedures have to be applied for new and valid credits. These procedures shall also be applied for annual reviews of new borrowers. For a summary of these procedures please refer to the steps below and flowchart in section 5.1:

ESRA steps are listed below:

- (i) Loan application
- (ii) Credit analysis
- (iii) Credit approval
- (iv) Legal documentation
- (v) Monitoring and reporting
- (vi) Audit review

5.2.1 Loan Application

STEP 1:

Environment and Social related loan application shall be completed by the customer and submitted to the Relationship Manager, who shall review and confirm that the credit is not within the **Exclusion List** and conduct initial E&S categorization.

Initial E&S Categorization

All projects within the scope of the Environment and Social Management System shall be categorized according to their potential environmental and social impacts. The purpose of project categorization is not only to signify its environmental and social relevance, but also to determine the procedures for the next steps in the Environment and Social Management System.

There are three risk categories - A, B, and C as detailed in Table 5.2 below:

Table 5.1 – Categorization Guidelines

Category	Definition	Examples
A –High Risk	The project is likely to have significant adverse environmental impacts that are sensitive, diverse, irreversible or unprecedented.	<ul style="list-style-type: none"> • Mining (opencast and pit) • Oil and gas developments, including pipeline construction • Forestry operations • Projects which pose serious occupational or health risks • Construction of dams and reservoirs • Pesticides and herbicides: production or commercial use • Domestic or hazardous waste disposal operations • Hazardous chemicals: manufacture, storage or transportation above a threshold volume • Large infrastructure projects, including development of ports and harbors, airports, road, rail and mass transit systems
B –Medium Risk	The project may result in specific environmental impacts, but these impacts are site specific and few if any of them are irreversible. In most cases mitigation measures are predetermined Performance Standards, Guidelines, or design criteria.	<ul style="list-style-type: none"> • Dairy operations • Textile Plants • Cement manufacture • Food Processing • Modernization of existing plants

C – Low Risk	The project is likely to have minimal or no adverse environmental impacts. No further environmental assessment is required.	<ul style="list-style-type: none">• Software development• Service industries• Consulting firms
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5.2.2 Credit Analysis/ E&S Due Diligence

This process shall be completed by the Relationship Manager at the business functions (Business Office or Head Office), E&S Officer at the Regional Offices and the E&S Manager at the Head Office. The process comprises of the following activities:

i. Documentation review:

Credit documents submitted by the customer shall be reviewed by the Relationship Manager for completeness.

ii. Site Visit:

Customer's project site shall be visited by the Relationship manager, ES Officer and/or Consultant, where necessary, to ascertain the correctness of data in the application as detailed in the Performance Standard.

iii. E&S Summary Statement

From the outcome of the site visit, the ES Officer shall document the summary of findings of the project site review/revision of information in the customer's application.

The outcome of this process shall enable the Relationship Manager confirm the initial categorization of the customer into any of the categories A, B or C, and ascertain whether the credit should be approved or rejected on the basis of E&S considerations.

iv. Corrective Action Plan (CAP)

After the ESDDs are completed, these are measures necessary to close gaps between the borrower's existing or proposed practices and the requirements of the local

laws, Performance Standards, relevant guideline provisions or other internationally recognized sources, as appropriate. These shall be cleared by the customer before disbursement of loan, or within a defined timeline and shall be reflected in the loan agreement.

The Group Monitoring Division has the responsibility of coordination and ensuring the closure of all gaps noted in the CAP.

The Relationship manager shall ensure the CAP are documented in the CACOM (Credit Approval Communication Memorandum) for corrective actions as condition precedent to drawdown.

5.2.3 Credit Approval

The Relationship Manager develops the Credit Approval Memorandum (CAM) detailing the credit terms and conditions to include the E&S Summary Statement and the Corrective Action Plans (CAP).

The E&S Manager shall review the CAM and E&S Summary Statement, which includes the E&S CAP to confirm that it is not on the exclusion list. However, where there are Environment and Social Management System issues, the E&S Manager shall request for additional information and provide guidance for mitigation.

Where the Environment and Social Management System issues are profiled as low risks and within the risk appetite of the Bank, it shall be forwarded for the review and concurrence of the GCRO.

The CAM that has been concurred to by the GCRO shall be forwarded to the appropriate approving authority in line with the Bank's approved credit empowerment policy.

The details of the credit approval shall be documented in the Credit Approval Communication Memo (CACOM) containing amongst other conditions to include the

Environment and Social Management System Corrective Action Plans approved for the facility and circularized to the Relationship Manager.

5.2.4 Legal Documentation

The offer letter shall contain the standard E&S clauses and also highlight the E&S issues detailing the corrective action plans. Disbursement shall be precedent to meeting the E&S conditions contained in the offer letter, where these are conditions precedent for disbursement. Action items given a timeline following disbursement will be monitored by the RM.

5.2.5 Credit Monitoring

E&S Monitoring Officer in the Credit Monitoring Department shall review periodically the corrective action plans contained in the CACOM for compliance using the ESRA Monitoring Form for updates on action completion or other comment.

5.2.6 Audit review 5.2.7 Stakeholders Engagement

Stakeholder engagement measures will work proactively towards developing and fostering positive relationships between the Client and stakeholders, particularly those directly affected by the project activities. Stakeholder engagement will aim to:

- Provide stakeholders with project information at appropriate times and in accessible forms;
- Communicate planned project phases, developments and changes to all stakeholders in good time (e.g. opening of new operations);
- Involve stakeholders in project decision-making that will affect/influence their lives;
- Enhance stakeholders' capacity to identify unanticipated projects impacts, and to be able to communicate these to the Client such that they can be resolved;

- Assist affected people in adapting to the social and economic changes brought about by the Project through information and participation;
- Ensure that stakeholders can report concerns and grievances easily;

5.2.8 Grievance Procedures

Following the grievance procedure established by the Bank, Clients will develop a grievance procedure to ensure that all grievances raised by external stakeholder groups will be logged. External stakeholders include affected communities, local government authorities, non- governmental and other civil society organizations, local institutions and other interested or affected parties.

The grievances are addressed in a consistent and verifiable manner as part of the implementation of the ESMS. For this reason, a Grievance Procedure needs to be followed to:

- Enable stakeholders to easily identify and report any grievance regarding the project's performance; and
- Ensure that, through a defined process and within a predictable timeframe, stakeholders receive a response and/or resolution to the grievance. A grievance is when stakeholders report a complaint or what they perceive to be poor performance linked to an operation, with the expectation of an explanation, or a change to the activity that has caused the grievance, or redress/compensation.

5.2.9 Environmental and Social commitment plan.

This Environmental and Social Commitment Plan (ESCP) sets out a summary of the material measures and actions. Where the ESCP refers to specific plans or other documents, whether they have already been prepared or are to be developed, the ESCP requires compliance with all provisions of such plans or other documents.

1. [Borrower name] [will implement] [is implementing] the [name] Project (the Project), with the involvement of the following Ministries/agencies/units: [name] [add other Ministries/agencies/units involved]. The [Bank/the Association] [has agreed to provide] [is providing] financing for the Project.
2. [Borrower name] will implement material measures and actions so that the Project is implemented in accordance with the Environmental and Social Standards (ESSs). This Environmental and Social Commitment Plan (ESCP) sets out material measures and actions, any specific documents or plans, as well as the timing for each of these.
3. [Borrower name] will also comply with the provisions of any other E&S documents required under the ESF and referred to in this ESCP, such as Environmental and Social Management Plans (ESMP), Resettlement Action Plans (RAP), Indigenous Peoples Plans (IPPs), and Stakeholder Engagement Plans (SEP), and the timelines specified in those E&S documents.
4. [Borrower name] is responsible for compliance with all requirements of the ESCP even when implementation of specific measures and actions is conducted by the Ministry, agency or unit referenced in 1. above.
5. Implementation of the material measures and actions set out in this ESCP will be monitored and reported to the [Bank/Association] by [Borrower name] as required by the ESCP and the conditions of the legal agreement, and the [Bank/Association] will monitor and assess progress and completion of the material measures and actions throughout implementation of the Project.
6. As agreed by the [Bank/Association] and [Borrower name], this ESCP may be revised from time to time during Project implementation, to reflect adaptive

management of Project changes and unforeseen circumstances or in response to assessment of Project performance conducted under the ESCP itself. In such circumstances, [Borrower name/ or delegate(s)] will agree to the changes with the [Bank/Association] and will update the ESCP to reflect such changes. Agreement on changes to the ESCP will be documented through the exchange of letters signed between the [Bank/Association] and the [Borrower name/ or delegate(s)]. The [Borrower name/ or delegate(s)] will promptly disclose the updated ESCP.

7. Where Project changes, unforeseen circumstances, or Project performance result in changes to the risks and impacts during Project implementation, the [Borrower name] shall provide additional funds, if needed, to implement actions and measures to address such risks and impacts, which may include [specify risks and impacts that are relevant to the Project, such as environmental, health, and safety impacts, labor influx, gender-based violence].

Table 5.2: **UBA E&S CREDIT APPROVAL PROCESS**

LEVEL	CREDIT PROCESS		ESRA PROCESS				RESPONSIBLE OFFICER (RO)
	Activity	Doc./ Location	Step	Activity	Tool*	Outcome	
1	Loan Application	LAF	1a	Exclusion List screening	XL	YES/NO decision	RM
			1b	Preliminary classification	Cat. Guide	A, B or C Classification	RM
2	Credit Analysis (Due Diligence)	CAM	2a	Regulatory and supporting documentation review	ESRA Form A	Documentation confirmation	RM
			2b	Site Visit and Performance Standard Assessment	ESRA Form B	E&S issue/capacity identification	RM
			2c	E&S Summary Statement and CAP Development Draft (may include review/revision, where relevant)	ESRA Form B	E&S Summary Statement CAP	RM
3	Credit Approval	CACOM	3a	E&S Summary Statement and CAP Review	ESRA Form B	YES/NO decision	Individual/ Committee/ CRO
			3b	Insertion of final CAP into CACOM	-	Insertion of final CAP into CACOM	RM/ CRO
4	Legal Documentation	Loan Agreement	4	Insertion of final CAP and E&S Clauses into Loan Agreement	-	Insertion of final CAP and E&S Clauses into Loan Agreement	RM/CRO/ Legal
5	Monitoring	Loan Monitoring Form	5	CAP review	Loan Monitoring Form	Updated CAP	RM

* Refer to Table 5.3

KEY:

CACOM – Credit Approval Communication Memo
CAM – Credit Analysis Memo
CAP – Corrective Action plan (E&S)
CRO – Chief Risk Officer

LAF – Loan Agreement form
RM – Relationship Manager
XL – UBA Exclusion List

TABLE 5.3: UBA E&S TOOLS

E&S TOOLS			
Number	Tool	Location/Document	Description
1	Screening	Loan Application Form including Exclusion and Transaction Categorization.	List of excluded transactions. Reputational risk assessment.
2	E&S Categorization Guide	Loan Application Form including Exclusion and Transaction Categorization.	Table of sectors within the defined risk categories (A,B,C).
3	ESDD – Compliance with National Laws	Scope 1 - IFC PS 1-8: Each Project Finance Loan and Project Related Corporate Loans of the Borrower with an amount (facility size) equal to or higher than USD 1,000,000 and which has a tenor of 12 months	All transactions. Question based section, e.g. <ul style="list-style-type: none"> - Which national permits are applicable in this industry? - How client complies with ESIA conditions. - Key risk of industry/ sector – and how the client manages this. - Reputational Risk assessment - Develop Corrective action plan (CAP) from ESDDs undertaken - CAPs to be included in respective facility agreement

Group Environmental & Social Management System

4	ESDD – Performance Standards assessment	Scope 2- IFC PS1-2: Each nonProject-related Corporate Loan with an amount (facility size) equal to or higher than USD 1,000,000 and which has a tenor of 12 months or more (incl. revolving facilities).	<ul style="list-style-type: none"> - Complete ESRA Forms A and B. - Cat A transactions and high risk Cat B must be CONDUCTED by an external E&S consultant. - Conduct Performance Standards Assessment for projects in Cat A (High risk); or those over USD 1mil and >12 month tenor – Tenor includes facility renewals - Develop corrective action plan (CAP) from ESDDs undertaken. - CAP to be included in facility agreement.
5	ESRA Monitoring Form	TBC	CAP based form allowing for updates on action completion or other comment.

Definition of Terms used in the document

Term	Meaning
Environment	The surroundings within which humans exist are made up of: <ul style="list-style-type: none"> • The land, water and atmosphere of the earth; • Micro-organisms, plant and animal life; • Any part or combination of the above and the interrelationships among and between them; and • The physical, chemical, aesthetic and cultural properties and conditions of the foregoing that influence human health and wellbeing.
Hazard	A source for or exposure to danger in the environment or to the environment.
Risk	The probability that human and animal health could be endangered by human and animal activities that impact on the Environment
Environmental and Social Risk	A measure of the potential threats to the environment that activities may have. It combines the probability that events will cause or lead to the degradation of the environment and the magnitude of the degradation
Danger	Anything, which may cause deterioration of life and deterioration to the environment.
Environmental and Social Standard	Any Environmental and Social standard defined in any legislation or international convention signed by the Federal Republic of Nigeria. Any prescribed level of compliance or conduct required regarding Environmental and Social matters, as defined in legislation or international conventions adopted by Nigeria
Sustainable Development	Development that meets the needs of the present without compromising the ability of future generations to meet their needs. This encompasses the economic, social and environment dimensions of development.
Environmental and Social Management Program	UBA Group strategy to achieve minimum impact on the environment within the scope of its business activities.

Precautionary Approach	The application of preventative measures in situations of scientific uncertainty where a course of action may cause harm to the environment. This principle recognizes that harm to the environment may be irreversible, and that it is therefore better to avoid any possible harm rather than try to remedy it later.
FEPA	Federal Environmental Protection Agency
Term	Meaning
Minister	The Minister of Federal Ministry of Environment
Facility	Any structure attached to the ground, building or structure or part thereof which is in the process of being erected, any prefabricated building or structure not attached to the ground that UBA Group is the owner of or is leased by UBA Group.
Policy	UBA Group Environmental and Social Management System
Non Conformance	Any identified violation of this document must be reported to Group Chief Risk Officer who will take appropriate action
Environmental Management System (EMS)	An Environmental Management System is a set of internally established policies, common procedures and resources that will enable UBA Group ensure that the environmental and social impacts of our clients' projects are addressed and that appropriate mitigation measures are incorporated to make the projects sustainable.
Forced Labour	Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty
Harmful Child Labour	Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral or social development
UBA Group	This refers to United Bank for Africa Plc and Its Subsidiaries

Appendix 1 – Nigeria Sustainability Banking Principles

i. Principle 1 (Our business activities: Environmental & Social Risk management).

We will integrate environmental and social considerations into decision making processes relating to our Business Activities to avoid, minimize or offset the negative impacts

ii. Principle 2 (Our business activities: Environmental & Social Risk management).

We will avoid, minimize or offset the negative impacts of our Business operations on the environment and local communities in which we operate and, where possible, promote positive impacts.

iii. Principle 3 (Environmental and Social Governance)

We will implement robust and transparent Environmental and Social practices in our respective institutions and access the governance practice of our clients.

iv. Principle 4 (Women's Economic Empowerment)

We will promote women's economic empowerment through a gender balance inclusive workplace culture in our business operations and seek to provide products and services designed specifically for women through our business activities.

v. Principle 5 (Financial Inclusion)

We shall promote financial inclusion, seeking to provide financial services to individuals and communities that traditionally have had limited or no access to the formal financial sector.

vi. Principle 6 (Environmental and Social Governance)

We will implement robust and transparent Environmental and Social practices in our respective institutions and access the governance practice of our clients.

vii. Principle 7 (Capacity building)

We will develop individual institutional and sector capacity necessary to identify, assess and manage the environmental and social risks and opportunities associated with our business activities and business operations.

viii. Principle 8 (Collaborative Partnership)

We will collaborate across the sector and leverage international partnership to accelerate our collective progress and move the sector as one, ensuring our approach is consistent with international standards and Nigerian development needs.

ix. Principle 9 (Reporting)

We will regularly review and report on our progress in meeting these principles at the individual institutions and sector level.

UBA environmental resource management; these set of policies are clearly outlined in the UBA sustainability document.

The following sector specific guidelines have been put in place by CBN and adopted by UBA.

The Principles were developed to guide Banks in the evaluation and management of potential environmental and social issues associated with the Bank's core business activities and operations - the idea being to integrate environmental and social considerations into the Bank's products - particularly agriculture, oil & gas and power as well as its day to day operations.

x. Oil and Gas

a. Scope & Applicability

This covers the provision of financial products & services (all corporate lending, structured and project finance) for the oil & gas sector which includes exploration, extraction, production, processing and transport of Nigerian oil & gas.

The document as it relates to Oil and Gas will not apply on a retroactive basis and thus will not apply to customers with existing facilities where it will translate to a retroactive application of the E& S guidelines for existing clients. It will however apply to any new facilities existing clients may require.

e. Upstream

- a. Exploration activities---aerial & seismic operations
- b. Appraisal drilling
- c. Development & production...including processing and storage
- d. Transportation
- e. Decommissioning & rehabilitation

f. Downstream

- a. Product refining
- b. Transportation & distribution activities via pipelines, road & sea
- c. Marketing including product importation & storage

- g. Servicing Provision of technical support services such as drilling, well completion, well simulation, logistics, equipment supplies etc.

h. Banking Requirements

UBA shall ensure that clients work towards and are able to demonstrate good practice as it relates to the following:

- a. Human rights
- b. Biodiversity
- c. Transparency
- d. Gas flaring

- e. Emergency response
- f. Marine Pollution

Environmental and Social conditions will be included in the agreement signed with the customer where appropriate to ensure relevant risks are monitored.

xi. Power

a. Scope & Applicability

This covers financial products & services for the power sector which includes:

- I. Power generation sources and associated facilities i.e. oil, gas, hydropower (except nuclear power)
 - II. Electricity distribution and transmission infrastructure
 - III. Alternative sources of power generation & associated facilities e.g. solar, clean coal, wind.
1. The guidelines apply to all corporate lending, project and structured finance lending, equity and debt capital market activities.

The following have been excluded from the application of this document as it relates to power:

- I. Asset management
- II. Insurance
- III. products & services for the extraction, processing & transport of energy raw materials
- IV. Where there is limited opportunity for the Bank to influence the Environmental and Social risk issues of a client.
- V. Existing customers with facilities as it is not relevant on a retroactive basis.

b. Banking Requirements

- I. UBA shall undertake appropriate Environmental and Social due diligence to identify and assess potential Environmental and Social risks and determine a client's ability to manage the risks.²⁴
- II. Client shall provide detailed Environmental and Social impact assessment as a pre-condition for facility/credit approval.
- III. UBA requires that power sector clients comply with Nigerian laws governing Environmental and Social issues.

- IV. UBA shall encourage clients to meet the IFC's Performance Standards Requirements and relevant Environmental, Health and Safety guidelines that represent minimum international best practice

xii. Agriculture

a. Scope & Applicability

This applies to the following:

- v. All lending instruments,
- vi. Project and structured finance.
- vii. Equity and debt capital market activities.
- viii. Retail banking and advisory services.

The following have been excluded from the application of this document as it relates to Agriculture

- v. Asset management.
- vi. Non agriculture related insurance.
- vii. Where there is limited opportunity for the Bank to influence the Environmental and Social risk issues.
- viii. Existing customers with facilities as it is not appropriate on a retroactive basis²⁵.

b. Banking Requirements for Agric Sector Financing

UBA shall do the following:

- xii. Conduct Environmental and Social risk analysis and assessment of clients & activities.²⁶
- xiii. Ensure that the Environmental and Social risks are adequately monitored and managed.
- xiv. Apply international best practices.
- xv. Lend towards the establishment and distribution of fertilizer by supporting indigenous fertilizer manufacturing companies.
- xvi. Finance the manufacture and distribution of indigenous high quality seeds.
- xvii. Finance providers of storage facilities provided they consider energy efficiency issues.
- xviii. Lend to farmers whose products have off takers whose practices protect the environment.
- xix. Encourage public-private marketing corporations that provide adequate support to local products.
- xx. Lend with assistance from NIRSAL²⁷ i.e. technical assistance, risk sharing, insurance & incentive pillars.

- xxi. Lend to promote the use of waste management techniques that promote the re-use of waste into production processes and not into the environment.

- xxii. Give discount loan for irrigation etc. which would lead to sustainable agriculture farming. UBA shall partner with public and private sector for this.

xiii. Oil and Gas

a. Scope & Applicability

This covers the provision of financial products & services (all corporate lending, structured and project finance) for the oil & gas sector which includes exploration, extraction, production, processing and transport of Nigerian oil & gas.

The document as it relates to Oil and Gas will not apply on a retroactive basis and thus will not apply to customers with existing facilities where it will translate to a retroactive application of the E& S guidelines for existing clients. It will however apply to any new facilities existing clients may require.

I. Upstream

- a. Exploration activities---aerial & seismic operations
- b. Appraisal drilling
- c. Development & production...including processing and storage
- d. Transportation
- e. Decommissioning & rehabilitation

II. Downstream

- a. Product refining
- b. Transportation & distribution activities via pipelines, road & sea
- c. Marketing including product importation & storage

III. Servicing Provision of technical support services such as drilling, well completion, well simulation, logistics, equipment supplies etc.

IV. Banking Requirements

UBA shall ensure that clients work towards and are able to demonstrate good practice as it relates to the following:

- a. Human rights
- b. Biodiversity
- c. Transparency
- d. Gas flaring
- e. Emergency response
- f. Marine Pollution

Environmental and Social conditions will be included in the agreement signed with the customer where appropriate to ensure relevant risks are monitored.

xiv. Power

a. Scope & Applicability

This covers financial products & services for the power sector which includes:

- iv. Power generation sources and associated facilities i.e. oil, gas, hydropower (except nuclear power)
- v. Electricity distribution and transmission infrastructure
- vi. Alternative sources of power generation & associated facilities e.g. solar, clean coal, wind.
 - a. The guidelines apply to all corporate lending, project and structured finance lending, equity and debt capital market activities.

The following have been excluded from the application of this document as it relates to power:

- vi. Asset management
- vii. Insurance
- viii. products & services for the extraction, processing & transport of energy raw materials
- ix. Where there is limited opportunity for the Bank to influence the Environmental and Social risk issues of a client.
- x. Existing customers with facilities as it is not appropriate on a retroactive basis.²⁸

b. Banking Requirements

- v. UBA shall undertake appropriate Environmental and Social due diligence to identify and assess potential Environmental and Social risks and determine a client's ability to manage the risks.²⁹
- vi. Client shall provide detailed Environmental and Social impact assessment as a pre-condition for facility/credit approval.
- vii. UBA requires that power sector clients comply with Nigerian laws governing Environmental and Social issues.

- viii. UBA shall encourage clients to meet the IFC's Performance Standards Requirements and relevant Environmental, Health and Safety guidelines that represent minimum international best practice

xv. Agriculture

a. Scope & Applicability

This applies to the following:

- i. All lending instruments,
- ii. Project and structured finance.
- iii. Equity and debt capital market activities.
- iv. Retail banking and advisory services.

The following have been excluded from the application of this document as it relates to Agriculture

- i. Asset management.
- ii. Non agriculture related insurance.
- iii. Where there is limited opportunity for the Bank to influence the Environmental and Social risk issues.
- iv. Existing customers with facilities as it is not appropriate on a retroactive basis.

b. Banking Requirements for Agric Sector Financing

UBA shall do the following:

- i. Conduct Environmental and Social risk analysis and assessment of clients & activities.³⁰

- ii. Ensure that the Environmental and Social risks are adequately monitored and managed.
- iii. Apply international best practices.
- iv. Lend towards the establishment and distribution of fertilizer by supporting indigenous fertilizer manufacturing companies.
- v. Finance the manufacture and distribution of indigenous high quality seeds.
- vi. Finance providers of storage facilities provided they consider energy efficiency issues.
- vii. Lend to farmers whose products have off takers whose practices protect the environment.

- viii. Encourage public-private marketing corporations that provide adequate support to local products.
- ix. Lend with assistance from NIRSAL³¹ i.e. technical assistance, risk sharing, insurance & incentive pillars.
- x. Lend to promote the use of waste management techniques that promote the re-use of waste into production processes and not into the environment.
- xi. Give discount loan for irrigation etc. which would lead to sustainable agriculture farming. UBA shall partner with public and private sector for this.

Appendix 2 – IFC Performance Standards

- i. **Performance Standard 1** underscores the importance of managing environmental and social performance throughout the life of a project.
- ii. **Performance Standard 2** recognizes that the pursuit of economic growth through employment creation and income generation should be accompanied by protection of the fundamental rights of workers.
- iii. **Performance Standard 3** recognizes that increased economic activity and urbanization often generate increased levels of pollution to air, water, and land, and consume finite resources in a manner that may threaten people and the environment at the local, regional, and global levels.
- iv. **Performance Standard 4** recognizes that project activities, equipment, and infrastructure can increase community exposure to risks and impacts.
- v. **Performance Standard 5** recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land.
- vi. **Performance Standard 6** recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development.
- vii. **Performance Standard 7** recognizes that Indigenous Peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population.
- viii. **Performance Standard 8** recognizes the importance of cultural heritage for current and future generations.

E & S RISK ASSESSMENT FORM

Project Name:		Location:			
Address:		Contact Person and Telephone:			
Industry:	Activity:			Facility Amount and Typ	
Type of project (tick x):		New	Extension	Existing	E&S Category:
Date of Site Visit:		Prepared/Updated by: Position:			
Brief Project Description:					
Sector Specific E&S Issues:					
Instructions: <ul style="list-style-type: none"> - Please provide as much information as possible in the 'additional information' section to support the responses provided - Please provide a summary of the key issues after completing the questionnaire and include a categorization for the project - Please include an action plan if required <p>For sector-specific information on E&S risks, please refer to the First for Sustainability Factsheets and the IFC EHS Guidelines:</p> <ul style="list-style-type: none"> • http://firstforsustainability.org/risk-management/understanding-environmental-and-social-risk/risk-by-industry-sector/ • www.ifc.org/ehsguidelines 					
Assessment of Applicable Requirements					
Applicable Requirements	Requirement	Yes	No	N/A	ADDITIONAL INFORMATION (Please provide additional information)
Exclusion List:	Is the activity on the Exclusion List?				
National Laws: Does the activity comply with National regulatory requirements?	Does the company have proof of valid environmental permits and licenses?				
Performance Standards:					
Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts	a. Does the company have an E&S Policy/Management System ?				
	b. Please describe the system/procedure in place to identify, assess and manage the potential risks and impacts related to the company's business activities/projects.				
	c. Has the company designated and E&S Officer to manage E&S issues? Please provide the name of the designated employee.				

	d. Please describe the procedures in place to engage with local communities and address community grievances where applicable. (e.g. grievance mechanism, stakeholder engagement plan).				
	e. Does the company have an emergency response plan ?				
	a. How many employees does the company have?				
Performance Standard 2: Review of Labor and Working Conditions	b. Does the company have a Human Resource (HR) Policy that is consistent with the requirements of the national labor laws? Please highlight the major policies covered.				
	i. Does the company have policies and procedures for managing and monitoring the performance of third party employee contractors in terms of labor and working conditions?				

re:

	<p>ii. Has the company established a <i>grievance mechanism</i> for workers and third party contract workers?</p>				
	<p>c. Does the company provide its workers with a safe and healthy work environment?</p> <p>i. Where applicable does the company provide workers with and mandating that workers use personal protective equipment (PPE)?</p> <p>ii. Does the company have occupational health and safety procedures? iii. Does the company track and report on rates of injury, occupational diseases, lost days, and number of work-related fatalities? Please provide recent data. iv. Does the company have training programs in place for workers on occupational health and safety?</p>				
	d. Please confirm that the company is not involved in harmful child labor or forced labor (including supply chain for agri-commodity clients)				
Performance Standard 3: Resource Efficiency and Pollution Prevention	a. Does the company implement measures for improving efficiency in its consumption of energy, water, raw materials and other resources and inputs ?				
	b. Does the company generate any air, liquid or solid waste emissions during construction and/or operational phases? If yes, please provide details.				Air: Liquid: Solid Waste:
	c. Please describe the procedures in place for monitoring air and water emissions . Please provide a copy of any effluent discharge permit issued by the local authorities.				
	d. Does the company have procedures to guide the storage, handling, and disposal of solid wastes (including hazardous waste) emanating from its business? If yes, provide brief details.				
	e. Are the diesel storage tanks fitted with secondary containment bunds ?				
	f. Is there response procedure in place manage spills or accidental discharges?				
Performance Standard 4: Community Health, Safety and Security	a. Are there local communities in close proximity to the company's facilities? Does the company have procedures to address community health, safety and security issues in the context of its operations?				
	b. Does the company have safety procedures in place to deal with hazardous material release, transport and disposal in order to avoid or to minimize exposure of local communities to those materials?				
	c. Does the company engage armed security personnel to provide security services at their facilities? If so, do the contract provisions include guidelines on how security personnel shall interact with communities in close proximity to the facility?				
	d. Is there a traffic management plan for managing additional traffic associated with the company's activities?				
Performance Standard 5: Land Acquisition and Involuntary Resettlement	a. Is there any land acquisition planned/happened for/in the proposed investment?				
	b. Has there been any physical and/or economic displacement as a result of land acquisition for this project?				

	c. Has the company disclosed all relevant information, consulted with affected persons and communities and facilitated their informed participation in the decision making process relating to resettlement?				
	d. Did the company consider alternative designs to avoid or minimize economic and physical displacement ?				

Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management	a. Does the company's activities impact on biodiversity ? Has the company minimized impacts and implemented mitigation measures ?				
	b. Does the business operate in a legally protected area ? If yes, confirm that the company has the requisite approvals to operate in such area				
	c. Are there any biodiversity impacts associated with your supply chain ? (e.g agri-commodity supply chain)				
Performance Standard 7: Indigenous Peoples	a. Is it likely that Indigenous Peoples will be adversely impacted as a result of the company's operations?				
Performance Standard 8: Cultural Heritage	a. Is the project located in an area where cultural heritage objects, sites and structures (e.g. artefacts, archeological sites, graves, and sacred forests) can be found?				

client's business)

Summary of E&S Issues (Please provide a summary addressing the management of the main E&S issues associated with the

Action Plan

Issue Identified	Action Required	Completion Date

E&S Categorisation Tool

IFC PS 1/ NSBP 1 Environmental and Social Assessment and management	Is there an established management system appropriate to size and nature of business activity to support sustainable environment and social performance
IFC PS 2/NSBP 1/NSBP 3/NSBP 4 Labour and Working Condition	Is there protection of basic rights of workers, treating workers fairly and providing them with safe and healthy working conditions,
IFC PS3/NSBP 2 Resource Efficiency & Pollution Prevention	Does the customer business promote sustainable use of resources like energy, water use and material input, Does the customer activity produce more than 25,000 tonnes of GHG emission
IFC PS 4/NSBP 1/NSBP 3 Community Health, Safety and Security	Does the customer business expose the community to communicable disease, water related disease and life threatening hazard? Does the project have negative impacts on ecosystem services i.e. <ul style="list-style-type: none"> - land use changes - Loss of wetland or forest - Degradation of natural resources
IFC PS 5/NSBP 1/NSBP 3 Land Acquisition and Involuntary Resettlement	Does the business activity involve land acquisition that leads to large scale involuntary resettlement of people and economic displacement without significant compensation
IFC PS6/NSBP 1 Biodiversity Conservation and Sustainable Management of Living Natural Resources	Is there a negative impact on the endangered species as a result of customers business activity
IFC PS7/NSBP 1 Indigenous Peoples	Does the business activity respect the identity, culture and natural resourcebased livelihoods of Indigenous Peoples and reduce exposure to impoverishment and disease? Is there a free, prior and informed consent on the potential impact of business activity
IFC PS8/NSBP 1 Cultural Heritage	Cultural heritage encompasses properties and sites of archaeological, historical, cultural, artistic and religious significance as well as unique environmental features. Customer is expected to avoid significant damage to cultural heritage due to their business activity.

Corrective Action Plan form

Mitigation Hierarchy	Action	Objective and Target	Deadline	Responsible staff	Resources required	Operational procedures
Avoid						
Minimize						
Compensate/ Offset						

Training Plan Worksheet

		Participants	Facilitator
Modules	Training Topics		
Module 1	Overview of ESMS	Relationship Team	Internal or External
	Transaction Screening		
	Overview of Assessment tools		
	Overview of Site visitation and monitoring		
	Specialized Industry – Oil & Gas, Power, Agric, Telecoms, Manufacturing etc.		
	Credit Analysis and Decision course - macro and micro, fin analysis, qualitative analysis, risk rating models		
	Credit related Country Legal framework and regulatory requirements		
Module 2	Equator Principles	ESRM/Risk Management/Internal	Internal or
	IFC Performance Standards / NSBP		
	World Bank Good Industry International practices		
	GRI Standards		
	Climate Disclosure - TCFD		
	UNEPFI Reporting Standards		

	ESG Target Setting & Reporting	Control, Audit & Compliance	External
	Overview of the SDGs		
	E&S Assessment/ categorization & ESAP		
	Monitoring approach and Reporting		
Module 3	Green bond/Social bond/sustainability & SDG bonds Framework (ICMA)	Corporate Services, Operations & Human Resources	Internal or External
	Overview of NSBP		
	Reporting		
	Vendor Management		
	Overview of ILO Human Right Requirements		
Module 4		ECC AND BCC	Internal or External
	E&S Governance and oversight		
	Strategy		
	Risk Appetite and Management		
	ESG Metrics and Performance		

Stakeholders Engagement Plan

STAKEHOLDER ENGAGEMENT PLAN				
Stakeholder	Concerns	Engagement method	Information to disclose and report back	Timetable: Location and dates
Employees				
Customers				
Investors				
Suppliers				
Communities				
Regulators				

Grievance Log Form

SECTION 1: COMPLAINANT DETAILS			
Complaint Reference Number	Date Received	Recipient of Complaint	Manner in which Complaint was Identified / Submitted by Complainant
Name of Complainant / Organization Registering Complaint (if not anonymous)			
Contact Details	Telephone Number	Physical and/or Postal Address	
SECTION 2: DETAILS OF COMPLAINT			
Unit responsible for Addressing the Complaint			
Time and Date Complaint Refers to			
Description of Complaint and / or Evidence of the Issue			
SECTION 3: ACTION TAKEN / REQUIRED			
Acknowledgement of Complaint Sent to Complainant? (Y / N)	Date When Acknowledgment Provided	Date Set for Resolution of Complaint	

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Description of Subsequent Action Taken (divide into Immediate Action and Subsequent Investigation, if applicable)		
Action Carried Out By Whom	Date of Completion	Method of feedback to Complainant
Stakeholder Response to Action		
SECTION 4: EFFECTIVENESS REVIEW		
How were the Actions Verified to be Effective at Resolving the Complaint?		
Approved By	Date	

ENVIRONMENTAL & SOCIAL ACTIONS MONITORING & REVIEW PLAN**Overview:**

This form is to be used for monitoring progress on all the issues identified from the assessment of EIA or ESMS/E&S Policy provided by the client. It can also be used to monitor issues identified from credit reviews/assessment of client's CAM. **Project Description:**

Client:	
Transaction Risk Categorization:	
Client Risk Rating:	
Transaction Sector:	
Facility Type:	
Facility Amount:	
Reporting Period:	

Environmental & Social Action Plan (ESAP)

S/N	Issue Identified (Risks)	Action Required	Completion Date
1			
2			
3			

Update on Environmental & Social Action Plan (ESAP)

Risk 1:
Objective:
Target:

PERFORMANCE INDICATOR				
Sn	Monitoring indicators(Action Required)	Monitoring records(Evidence if required)	Completion Date	Comments (Satisfactory or Need Improvement)
1	Frequency of work related accidents	Health and safety logs		
2				

PROCESS INDICATOR		
Sn	Monitoring indicators	Monitoring records
1	Number and type of PPE and first aid kits provided	HR Records

Remarks:

Risk 2:

Objective:

Target:

PERFORMANCE INDICATOR				
Sn	Monitoring indicators(Action Required)	Monitoring records(Evidence if required)	Completion Date	Comments (Satisfactory or Need Improvement)
1	Frequency of work related accidents	Health and safety logs		

2				

PROCESS INDICATOR		
Sn	Monitoring indicators	Monitoring records
1	Number and type of PPE and first aid kits provided	HR Records

Remarks:

Risk 3:

Objective:

Target:

PERFORMANCE INDICATOR				
Sn	Monitoring indicators(Action Required)	Monitoring records(Evidence if required)	Completion Date	Comments (Satisfactory or Need Improvement)
1	Frequency of work related accidents	Health and safety logs		
2				

PROCESS INDICATOR		
Sn	Monitoring indicators	Monitoring records
1	Number and type of PPE and first aid kits provided	HR Records

Remarks:

CHAPTER 4

Group Corporate Social Responsibility Policy

SPONSORSHIPS AND EVENTS:

Preamble:

4.0.1 Sponsorship is a **long-term** strategic marketing tool enabling UBA Group to build positive emotional relationships with its customers and other stakeholders and to enhance its business needs.

This policy shall **be read** in conjunction with the provisions of:

- ✦ Expenditure Empowerment Policy
- ✦ Board Governance Charter

4.0.2 Events are short **term/one time** strategic and tactical marketing tools that enable the UBA Group to build relationships with its customers and other stakeholders and to enhance its business needs. Sponsorships or events may include:

- Broadcast
- Naming Rights
- Endorsements

- Value in Kind
- Events and
- Partnerships/Alliances

4.0.3 Sponsorship/Event is not:

- Pure philanthropy (giving)
- Casual
- Pure lobbying
- Immeasurable

4.1 Scope of Sponsorship:

4.1.0 Our sponsorship scope will cover the following areas:

- Arts
- Sports (excluding violent sports e.g. boxing, wrestling, kickboxing, Judo , Taekwando etc.)
- Education i.e. Building and infrastructure, Equipment and Learning Support
- Health and Community Development
- Economic Empowerment

4.1.1 Properties are the sponsorship rights to an event or entity owned by Governments, organized groups, Sports Federations, and events promoters.

4.1.2 UBA Group categories and portfolio of sponsorships will be reviewed periodically in line with Business objectives and the strategic principles stated in the policy.

4.1.3 UBA Group Sponsorships will assess sponsorship opportunities in the context of Group sponsorship strategy and the potential of each proposed sponsorship to impact positively on the stated business objectives.

4.1.4 In addition, the following will also be considered:

- Compliance with regulatory requirements
- Credibility of property owners
- Ability to work with property owners
- Brand affinity

4.1.5 Sponsorship investments must be approved by the Group Communication Advisory Board.

4.1.6 Our approach to sponsorship is to provide a platform for brand building. Decisions regarding sponsorships will be made bearing in mind the synergy in the areas Corporate Brand-building and Product marketing enhancement, hence a need for integration. UBA Group Sponsorship is therefore to adopt a holistic approach in the evaluation of sponsorship properties.

4.1.7 Ongoing sponsorships will be evaluated by the Group Sponsorships working with Research Information (where available) in order to determine performance against defined and agreed objectives.

4.1.8 The following documents need to be sent as part of the sponsorship proposal:

- The profile of the rights owner/holder
- Evidence/proof of rights ownership
- An explanation of how the sponsorship delivers against the Group Sponsorship Strategy
- A summary of information about the sponsorship including Rights fees and other costs
- An explanation of the rationale behind the sponsorship
- Expected benefits for the Group

4.2 Governance Matters

The following authorization limits apply for: Sponsorship can be at Country, Regional or Group levels.

4.2.1 Contracts for Group sponsorships with all property owners must be drafted by UBA Group Legal. Group Legal Division will retain the signed contracts with a copy given to Group Sponsorship and the third party.

4.2.2 In order to ensure proper governance and adherence to robust administrative procedures with regards to sponsorship investment, the following practices are to be maintained:

- i. All officers involved in the sponsorship process are to declare any interests - whether direct or indirect – in supply of sponsorship services or any sponsorship recipient
- ii. Proper administrative practice requires segregation of duties with regard to awarding of sponsorships. The Group's policy in respect of payments will apply
- iii. No officer involved with a sponsorship arrangement may accept a gift or benefit attached to the sponsorship from the recipient of such sponsorship except if such a gift is for use at the event i.e. T-Shirt, tracksuit etc. In any case, the material must be declared to compliance for the records in line with the UBA Group Gift Policy.
- iv. Credibility/Integrity checks (credit worthiness etc.) and due diligence must be performed on any new sponsorship recipient or supplier of sponsorship services, in particular with regard to large expense amounts.
- v. Wherever practical, the award of a sponsorship service contract e.g. for an agency or consultants should follow a tendering process. The assistance of the UBA Group COC (Group Cost Optimisation Committee) and the Head, Corporate Services may be called upon to facilitate the tender.

- vi. Service Contracts must be drawn by the Group Legal Division according to the standard Group Sponsorship template.

4.2.3 The following areas are excluded from sponsorship:

- Individuals
- Staff projects
- Religious Associations (except donations that allow us to be a collecting bank or put a stand at harvest or convention)
- Beauty Pageants
- Personal documentaries
- Individual artistes and actors
- Ethnicism/Nationalism
- Campaigners
- Politics
- Violent sports
- Tobacco
- High Risk (life threatening) activities
- Provocative Issues
- All items on the Group's credit exclusive lists.

4.2.4 Letter of Commitment signed by the Head, Corporate Communications should be sent to the requesting Individual/Company/Corporate Body

4.2.5 Contract negotiations shall be handled in line with the provision of the Expenditure & Empowerment Policy

4.2.6 **Sponsorship Leveraging and Activation:** UBA Group sponsorship team deploys necessary branded collaterals items to the venue of the approved Sponsorship/Event and manages the Event from beginning to the end (conforming to Events CI Guidelines).

4.2.7 Sponsorship Measurement: UBA Group sponsorship in collaboration with Marketing and Corporate Communication Division shall provide to the UBA Group Communication Advisory Board the impact of the sponsorship in relation to pre-agreed performance indices.

4.3 Corporate Social Responsibility

4.3.1 UBA Group is committed, to the promotion of socio-economic development of the Countries in which it operates and contributing to the improvement of such communities.

4.3.1 UBA Group's Corporate Social Responsibility activities are carried out by UBA Foundation who may sometimes work with other foundations non-governmental institutions, arms of governments or expert consultants in executing such activities.

4.3.2 UBA Group Corporate Social Responsibility expenditure shall be funded by a minimum annual allocation of one percent (1%) of the Group's PBT income from the Group's operations. However, the exact rate is to be fixed by the Board of UBA Group from time to time .

4.3.3 UBA Group concentrates its corporate social responsibility activities in defined areas in order to make the greatest impact to communities. These areas of focus are subject to periodic revision in line with UBA Group strategic agenda and the relevant impacting issues in the countries of operation.

4.3.4 No preferential treatment is given to organizations with whom the UBA Foundation may work who have UBA Group employees on their board.

4.3.5 UBA Group CSR agenda will be influenced by the following considerations:

- i. To support the sustenance of a conducive environment for sustainable business operations.

ii.To demonstrate UBA Group genuine support of communities in which it operates by promoting socio-economic initiatives that will enhance economic empowerment, education, environment and basic services.

4.4 UBA Group CSR agenda will be driven through the UBA Foundation. The Foundation will leverage 3 platforms across the Group otherwise called 3 Es as follows:

- I. Education
- II. Economic Empowerment and
- III. Environment
- IV. And Special Projects

4.5 Specific areas under the broad 3 Es are: I. Rehabilitation of educational institutions

- II. Building of hostels
- III. Adult literacy programmes
- IV. Entrepreneurial and job skills training
- V. Financial Literacy
- VI. Provision/Construction of Information, Communication and Technology centres (ICT)
- VII. Training of teachers
- VIII. Training of students
- IX. Scholarships
- X. Boreholes in disadvantaged communities to instigate/improve community development, such as potable water, irrigation and environmental improvement.
- XI. UBA Group "Read Africa and Essay Competitions"

4.6 In addition to the selected Group platforms, regions and countries can engage in location relevant programmes in the above categories within

their areas but must seek clearance from UBA Foundation at UBA Group Head Office.

4.7 Funds will not be disbursed to the following areas:

- I. Political parties or organisations supportive of one political party or grouping only
- II. Labour unions and;
- III. Profit-making concerns
- IV. Individuals, or small groups, acting in their personal capacity
- V. Sports bodies or teams
- VI. Sectarian organisations
- VII. Professional fund raising organisations

4.8 Corporate Relations

4.8.1 The Corporate Relations is responsible for setting the policy framework for engagement with government leaders and decision makers at all levels.

4.8.2 UBA Group will organise programmes to create and foster interaction between UBA Group and government officials.

4.8.3 These forums will include seminars, breakfast meetings, lunch meetings, dinners, Thought-leadership conferences and other collaborative programmes.

4.9 Definitions

4.9.1 Brand campaign: A communication and/or activation campaign that is developed with the exclusive or primary intent to establish the brand promise and

brand personality among customers, employees or stakeholders within or across countries.

4.9.2 Brand architecture: The organisation of brands in a company's portfolio. The alignment of sub-brands and the interrelationships between brands or products.

4.9.3 Monolithic brand: The model of brand architecture chosen by UBA Group to communicate ONE MEANING across channels and geographies. No action by a subsidiary, Business Unit or Product should dilute the integrity and sanctity of the Corporate Brand.

4.9.4 Positioning: A holistic shared core identity developed for the brand, which defines what the brand stands for or represents to staff, customers and stakeholders. This positioning is based on the defined values of the group and is aligned across all units and geographies.

4.9.5 Iconography: The visual representation of the brand. The combination of the name, the mustard seed symbol with the colours, font and typeface, and their application. Together they form the visual identity of the brand.

4.9.6 Pay-off line: The strap line, generally used in marketing and advertising, which encapsulates the essence of the brand positioning or promise in a concise, catchy and easy-to-remember phrase. The Pay off line for UBA Group is "Africa's global bank" and this should not be interpreted in any language at all.

4.9.7 Co-branding: The use of one or more logos from two or more companies for the marketing of specific products, services or offerings.

4.9.8 Joint venture: When two or more companies co-develop a product, service or offering and agree to market it under both brands or create a third, shared brand.

4.9.9 Subsidiaries: A subsidiary is a company that is partly or completely owned by another company that holds a controlling interest in the subsidiary company. The

controlled entity is called a company, corporation or limited liability company and the controlling entity called the parent company.

4.10 Communication Material Approval Procedure

Type of Material	Initiation	Concurrence	Approval
Product Advertising	Head, Corp Brand /Marketing	Product Owner or Dir. Products	Group EMC
Segment/Region/Subsidiary Advertising	Head, Corp Brand /Marketing	Product Owner or MD of subsidiary	Group EMC
Approval for emails/circulars/newsletters/notices that are circulated to the entire network	Head Internal Communications	Nil	GMD/CEO
Approval for Press Statements and Releases	Head External Relations/ GH Corporate Communication	Head, Marketing and Corporate Relations or Country CEO + GMD/CEO	GMD/CEO
Corporate Advertising	Head Corporate Brand management	Group Communication Advisory Board	Group EMC

4.11 Creative Materials Brief Procedure, Design, Production and Events Lead times

- i. All creative work to do with UBA Group's activities is solely handled by UBA Group's Marketing Division and the Marketing and Corporate Communications departments in the countries where adaptation is needed.
- ii. Request for a creative brief to the Marketing Division can originate from any business unit or any support function of UBA Group using the origination template that will be hosted on the intranet.
- iii. The requesting or originating unit of the Group that desires the production of campaign material or advert material i.e. flier, brochure, radio, TV or print should convey their request formally in writing (Memo) and using the Group internal creative briefing form addressed to the Corporate Brand Management department.
- iv. Verbal briefs will not be accepted except for emergency cases. These shall be dealt with as emergencies on a case by case basis. Requests that are classified as emergency projects are requests that fall outside of the product/business unit plans and these may arise in response to the developments in the operating environment. The decision to classify these as emergency requests is made by the Head, Marketing. These include specific requests by the Group CEO or Group EMC.
- v. On completion, the internal creative briefing form must be sent via email or manually to the Corporate Brand Management Division or the Marketing Division.
- vi. On receipt of the email, the Corporate Brand Management or the Marketing Division will review the completed Creative Brief Outline Form and treat in line with timelines stated hereunder.
- vii. The creative work can be done using the internal creative team or the Brand Agency creative team.
- viii. The Head, Marketing team will decide whether to use the internal creative team or to use the Brand Agency for any creative brief.

- ix. Whether the creative is done by the internal creative team or the external agency, the requesting SBU must sign off on the design and the Group EMC must approve before production.
- x. Project cost approval must be obtained by the requesting division before bulk production.
- xi. Completed work must also be signed of by the requesting division before bulk production.

4.12 Turnaround Timelines

4.10.1 The following timelines will apply for all creative, production, branding, media placement and event management to be executed by the Marketing and Corporate Communications:

Services Provided	Proposed / Operational Service Level / TAT	Dependencies / Expectations / Requirements From Business Group
Corporate Relations		
Stakeholder engagements, VIP visits	72 hours	Name and class of stakeholder, location and type of gift required
Organisation of local , regional and national workshops	2 weeks	Type of workshop, guest profile, participants profile ,type of collaterals required, location and dates
Organisation of international summits and workshops	8 weeks	Type of workshop, lead speakers and profile,guest profile, participants profile , type of collaterals required,location and dates
Organisation of employee engagement programmes, TGIF	3 days	A brief stating employees involved, purpose, guests expected and venues
Procurement of gift items	4- 13 weeks	Brief stating target audience, gift type and budget
Geographies		
Marketing and communications start Up Template for country operations	2 weeks	Name of operation, whether green or brown field or merger, existing logos, colour schemes and collaterals
Advert Campaign Development	4 weeks	Brief stating objectives of campaign, audience, media, budget
Organisation of regional summits and workshops	4 weeks	Type of workshop, lead speakers and profile,guest profile, participants profile , type of collaterals required,location and dates
Corporate Brand Mangement		
Corporate Campaign Development	13 weeks	Brief stating objectives of campaign, audience, media, budget
Tactical campaign Development	2 weeks	Brief stating objectives of campaign, audience, media, budget
Events and sponsorship /Buy-in	8 weeks	Brief stating objectives of sponsorship, property owners, leverageability and budget
Development of branding collaterals	4 weeks	Type of material needed, where to be used, event specific or generic
Installation of Pylon	3 weeks	Branch location, size of branch, budget approval
Installation of signage/facial	2 weeks	Branch location, size of branch, budget approval
Posters/Fliers/Brochures	1 week	Receipt of brief, scope of work, number of iterations
TING		
Product campaign Development	4 weeks	Brief stating objectives of campaign, audience, media, budget

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Posters/Fliers/Brochures	1 week	Receipt of brief, scope of work, number of iterations
MARKETING		
Product campaign Development	4 weeks	Brief stating objectives of campaign, audience, media, budget
Planning and running consumer promotions	4 weeks	Brief stating objectives of promotion, audience, volume sources, media, budget
Organising events , experiential marketing programmes	4 weeks	Brief stating objectives of promotion, audience, ,media, budget
INTERNAL COMMUNICATIONS		
Message House Development	3 weeks	Country key issues, UBA key issues and strategy, key stakeholders , main engagement channels
Newsletter Development	1 week	Two paragraph brief and pictures for major events happening in the country
Press Release	3 days	Draft with key messages and rationale by requesting Department. Review and revert next day by Corp Comms. Sign-off and approval by GMD where necessary on 3rd day
Quarterly / Annual Accounts Publication	4 days	Draft data and commentary by GCFO's Office. 1st revert by Corp. Comms next day. Revert by GCFO's office same day. Amendments reverted on 3rd day. Sign-off on 4th day
The Lion King Magazine	Quarterly (2 weeks after each quarter begins)	Article and pictures about bank events/employee events with narrations and an article of not more than 300 words
Employee Engagement Programmes	3 weeks	Pictures of employee engagement events and brief write-ups
Website Development	8 weeks	Business strategy, overview of business, website contents , website project champion/liaison officer, generic email address/contact

Webpage Creation	72 hours	Business strategy, overview of business, website contents , website project champion/liaison officer, generic email address/contact

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