

FRONT COVER



Independent Project Monitoring Company

ESG RATINGS REPORT *Launch*

THEME:

Driving Impact: Harnessing ESG for Sustainable Finance - Nigerian Banks and Insurance Companies

Keynote Speaker:
Rukaiyah El-Rufai

Panelists:



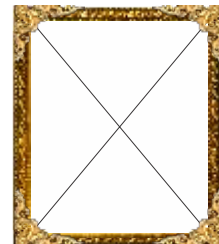
Nana Scari Maidugu
Head of Sustainability, NSIA



Segun Odunsanya
FSDH Asset Management



Abbas Agbaje
Environmental Consultant



John Brick Ibinabo
Director, SEC



Olayinka David West
Associate Dean, LBS



Bongolwethu Sonti
Africa Program Manager, GRI



Mrs. Funmi Babington-Ashaye
Risk Analyst Insurance Brokers



Omosehin Olusegun
Commissioner of NAICOM

Date: Thursday, 6th June, 2024 | **Time:** 9.a.m.

Venue: Four Points Hotel, VI, Lagos



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Keynote Speaker:

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Panelists:

1. Nana Scari Maidugu – Head of Sustainability, NSIA
2. Segun Odunsanya – FSDH Asset Management
3. Abbas Agbaje – Environmental Consultant
4. John Brick Ibinabo – Director, SEC
5. Bongolwethu Sonti – Africa Program Manager, GRI
6. Olayinka David West – Associate Dean, LBS
7. Mrs. Funmi Babington-Ashaye – Risk Analyst Insurance Brokers
8. Omosehin Olusegun – Commissioner of NAICOM

IPMC ESG ASSESSMENT

The IPMC ESG Assessment enables you to benchmark your company's performance on a wide range of industry specific economic, environmental, and social criteria that are relevant to the growing number of sustainability focused investors and financially relevant to your corporate success. It enables you to leverage the unique expertise, methodology and database underlying the sustainability indices, as measured, for your internal processes and external communication.

The Nigerian banking sector plays a vital role in the country's economy by expanding financial services and access. Notably, the financial and insurance sectors have emerged as among the fastest-growing sectors in Nigeria, with real GDP growth rates of 26.36% and 26.53% recorded in 2022 and 2023 respectively impacting sustainability.

With the proliferation of banking services, the industry significantly impacts society. Its employees directly engage with customers, fostering financial inclusion and providing essential services. Furthermore, the industry's initiatives aimed at expanding access to banking services, reflected in the approximately 133.5 million active bank accounts as of 2024, contribute to social well-being and economic empowerment.

Governance practices within the Nigerian banking sector are critical for maintaining trust and stability. With a vast network of employees and customers, effective governance ensures compliance with regulatory standards, ethical conduct, and risk management. The sector's adherence to governance principles, including transparency and accountability, fosters investor confidence and financial stability.

As of March 2024, this report covers the following 29 out of 30 commercial and merchant banks licensed by the CBN, as well as 34 insurance companies licensed by NAICOM

AGENDA

1. Registration and Welcome Reception - (15 minutes)

Time: 8:45 AM - 9:00 AM

Activities:

Guest registration

2. Opening Remarks- (10 minutes)

Time: 9:00 AM - 9:10 AM - Speaker: Event Host/MC

Activities:

Welcome the attendees

Introduction to the event and its significance

Brief overview of the agenda

3. Keynote Address - (15 minutes)

Time: 9:10 AM - 9:25 AM

- Importance of ESG in the financial sector and the role of sustainability in long-term investment strategies

4. Presentation of the ESG Ratings Report - (25 minutes)

Time: 9:25 AM - 9:50 AM

- Detailed findings of the report
- Methodology and data sources
- Key insights and implications for the banking and insurance sectors

5. Panel Discussion 1 - (30 minutes)

Time: 9:50 AM - 10:20 AM

Topic: ***ESG Integration in Investment Decision-Making: Strategies for Banks and Insurers.***

- Moderated discussion
- Q&A session with the audience
- Photography

6. Goodwill Address - (5 minutes)

Time: 10:20 AM - 10:25 AM

7. Panel Discussion 2 - (30 minutes)

Time: 10:25am - 10:55am

Topic: ***Regulatory Landscape for ESG Compliance: Challenges and Opportunities***

- Moderated discussion
- Q&A session with the audience
- Photography

8. Award Presenting Session - (10 minutes)

Time: 10:55am – 11:05

- Presentation of awards for top performance
- Photography

9. Closing Remarks - (10 Minutes)

Time: 11:05am – 11:15am

- Summary of key points discussed
- Future steps and ongoing commitment to ESG
- Thank you to speakers, panellists, and attendees.

10. Coffee & Networking Session - (15 minutes)

Time: 11:15am - 11:30am

- Networking opportunities
- Coffee
- Photography

Rationale Behind IPMC ESG Rating

At the beginning of this project, we set out to assess and quantify the environmental, social, and governance (ESG) practices of financial institutions to determine their sustainability performance, in order to;

Enhance Transparency and Accountability: Encourage transparency and accountability in the financial sector by promoting standardized reporting on ESG metrics, fostering better informed stakeholders.

Drive Positive Governance, Social and Environmental Impact: Motivate financial institutions to adopt responsible business practices that contribute positively to social well-being, environmental conservation, and overall sustainable development.

Facilitate Informed Investment Decisions: Provide investors with comprehensive and standardized information on ESG performance to support responsible investment decision-making and risk management.

Encourage Continuous Improvement: Establish a framework for ongoing monitoring and evaluation, fostering a culture of continuous improvement in ESG practices within financial institutions

Assess Sustainability Practices of the participating companies: We evaluated each company's commitment to environmentally sustainable practices, such as energy efficiency, waste management, and carbon footprint reduction. This helps participating banks and insurance companies align with sustainable and responsible business practices.

Methodology

We applied a comprehensive ESG (Environmental, Social, and Governance) rating methodology to evaluate the performance of industry players in the financial sector. The overall weightings were assigned as follows: 44% to governance, 43% to social, and 13% to environmental factors. These weights were based on industry standards and peer reviewed against renowned financial indices such as S&P and MSCI. Each ESG pillar was further divided into subfactors, including corporate governance, risk management, labour practice indicators, human rights, and climate strategy, among others. The methodology involved normalising scores of individual sub-factors relative to expected values, allowing for a standardised assessment across diverse parameters. The IPMC ESG score is a relative score measuring a company's performance on, and management of ESG risks, opportunities and impacts compared to their peers within the same

industry classification. A minimum data requirement for the participating banks and insurance company is audited financial statement. This was incorporated into our process.

Approximately 63 entities across various license classifications, including international banks, national banks, regional banks, mortgage banks, merchant banks, and non-interest banks, were rated. Additionally, the rating encompasses insurance companies categorized under general, life, and composite insurance licenses. This coverage represents 75% of the targeted rating universe, signifying a substantial representation of the entire population of banks and insurance companies under review. IPMC ESG Score The rating is on the scale of 0 to 100, where 100 signifies the highest attainable score and zero represents the lowest. A predefined scoring framework was established to guide the assessment of responses to questions, aligning them with the respective degrees of materiality. Individual question scores were aggregated to determine subfactor scores, which in turn were combined to derive Pillar Scores (E, S, G). The culmination of these Pillar Scores comprises the overall ESG scores. The team also formulated a standardized scoring framework wherein questions were assigned codes based on their level of significance to the specific industry sub-factor. These codes were structured within various Likert scales one to five Likert scale (1 – 5), one to four Likert scale (1-4), one to three Likert scale (1-3) and (1-2) likert scale based on their degree of importance to the sub factor to the industry specific.

Summary of Targeted Banking Population and Sample Size

S/No.	Categories of Banking License	Population	Sample
1.	International License	8	8
2,	National License	12	9
3.	Regional License	6	3
5.	Non-Interest Banks	4	3
6.	Merchant Banks	6	3
7.	Quoted Primary Mortgage Banks**	3	3
	Total		29

The selected sample is limited to banks that have publicly available data. We have a total number of 719 microfinance banks* and 32 primary mortgage banks.**

Summary of Targeted Insurance Population and Sample Size

S/No.	Categories of Insurance License	Population	Sample
1.	General Insurance	23	19
2,	Life Insurance	14	7
3.	Composite (General and Life)	12	8
	Total	49	34

Note: The rating is limited to general, life and composite insurance class.

“Process Review: Our ratings methodology, process and procedures were reviewed and validated by PriceWaterhouseCoopers(PwC)”. **PLEASE EMPHASIZE THIS THROUGH DESIGN**

S/N	Company Name	Company ID	Sector
1	Regency Alliance Insurance Plc	IPMC/ESG_22/001	Insurance
2	Veritas Kapital Assurance Plc	IPMC/ESG_22/002	Insurance
3	Fin Insurance Company Limited	IPMC/ESG_22/003	Insurance
4	Capital Express Assurance Limited	IPMC/ESG_22/004	Insurance
5	Coronation Life Assurance Lt	IPMC/ESG_22/005	Insurance
6	Zenith General Insurance Company Limited	IPMC/ESG_22/006	Insurance
7	Leadway Assurance Company Limited	IPMC/ESG_22/007	Insurance
8	Unitrust Insurance Nigeria Limited	IPMC/ESG_22/008	Insurance
9	Sovereign Trust Insurance Plc	IPMC/ESG_22/009	Insurance
10	African Alliance Insurance Plc	IPMC/ESG_22/010	Insurance
11	Consolidated Hallmark Insurance Plc	IPMC/ESG_22/011	Insurance
12	Aiico Insurance Plc	IPMC/ESG_22/012	Insurance
13	Heirs Insurance ltd	IPMC/ESG_22/013	Insurance
14	Heirs Life	IPMC/ESG_22/014	Insurance
15	Universal Insurance Plc	IPMC/ESG_22/015	Insurance
16	Sanlam General Insurance Limited (Formerly FBN Life)	IPMC/ESG_22/016	Insurance
17	Sanlam life insurance	IPMC/ESG_22/017	Insurance
18	Linkage Assurance Plc	IPMC/ESG_22/018	Insurance
19	Nem Insurance Plc	IPMC/ESG_22/019	Insurance
20	Lasaco Assurance Plc	IPMC/ESG_22/020	Insurance
21	Guinea Insurance Plc	IPMC/ESG_22/021	Insurance
22	Prestige Assurance Plc	IPMC/ESG_22/022	Insurance
23	Mutual Benefits Assurance Plc	IPMC/ESG_22/023	Insurance
24	AXA Mansard Insurance Plc	IPMC/ESG_22/024	Insurance
25	SUNU Assurance Plc	IPMC/ESG_22/025	Insurance



ESG RATINGS REPORT LAUNCH

Theme: Driving Impact: Harnessing ESG for Sustainable Finance - Nigerian Banks and Insurance Companies

26	Allianz Nigeria Insurance Plc	IPMC/ESG_22/026	Insurance
27	Custodian & Allied Insurance Limited	IPMC/ESG_22/027	Insurance
28	STACO Insurance Plc	IPMC/ESG_22/028	Insurance
29	NSIA Insurance Ltd	IPMC/ESG_22/029	Insurance
30	KBL Insurance Limited	IPMC/ESG_22/030	Insurance
31	Custodian Life Assurance Ltd	IPMC/ESG_22/031	Insurance
32	Anchor Insurance Company Ltd	IPMC/ESG_22/032	Insurance
33	Great Nigeria Insurance Plc	IPMC/ESG_22/033	Insurance
34	Tangerine Life Insurance Ltd	IPMC/ESG_22/034	Insurance
PARTICIPATING BANKS			
35	Abbey Mortgage Bank Plc's	IPMC/ESG_22/035	Bank
36	Access Bank	IPMC/ESG_22/036	Bank
37	Ecobank Transnational Incorporated	IPMC/ESG_22/037	Bank
38	FBN Holdings Plc	IPMC/ESG_22/038	Bank
39	FCMB Group Plc	IPMC/ESG_22/039	Bank
40	Fidelity Bank Plc	IPMC/ESG_22/040	Bank
41	Gtbank	IPMC/ESG_22/041	Bank
42	Infinity trust mortgage bank (ITMB)	IPMC/ESG_22/042	Bank
43	Jaiz Bank Plc	IPMC/ESG_22/043	Bank
44	LivingTrust Mortgage Bank Plc	IPMC/ESG_22/044	Bank
45	Stanbic Ibtc Holdings Plc	IPMC/ESG_22/045	Bank
46	Sterling Financial Holdings Company Plc	IPMC/ESG_22/046	Bank
47	Union Bank Nigeria Plc	IPMC/ESG_22/047	Bank
48	United Bank For Africa Plc	IPMC/ESG_22/048	Bank
49	Unity Bank Plc	IPMC/ESG_22/049	Bank
50	Wema Bank Plc	IPMC/ESG_22/050	Bank
51	Zenith Bank Plc	IPMC/ESG_22/051	Bank
52	Citibank Nigeria Limited	IPMC/ESG_22/052	Bank
53	Coronation Merchant Bank	IPMC/ESG_22/053	Bank
54	Globus Bank Limited	IPMC/ESG_22/054	Bank
55	Keystone Bank Limited	IPMC/ESG_22/055	Bank
56	Lotus Bank	IPMC/ESG_22/056	Bank
57	Nova Merchant Bank	IPMC/ESG_22/057	Bank
58	Providus Bank	IPMC/ESG_22/058	Bank
59	Rand Merchant Bank	IPMC/ESG_22/059	Bank
60	Sun Trust Bank Nigeria Limited	IPMC/ESG_22/060	Bank
61	TAJBank Limited	IPMC/ESG_22/061	Bank
62	Titan Trust bank	IPMC/ESG_22/062	Bank
63	Standard Chartered Nigeria	IPMC/ESG_22/063	Bank

WHO WE ARE

Data, Research and Analytics

Who We Are

We are a research-focused consulting firm specializing in delivering data-driven intelligence services to corporate entities, national and subnational institutions, and development organizations across various sectors of the economy. Our expertise lies in setting industry benchmarks for ESG (Environmental, Social, and Governance) ratings within specific African markets, while offering customized research solutions aimed at promoting business sustainability.

Aligned with global trends such as the Sustainable Development Goals and environmental sustainability, we offer tailored research services designed to assist clients in navigating emerging opportunities and mitigating regulatory risks. Recognizing the critical role of accurate and insightful information in decision-making processes for business growth, our research outputs deliver data-driven insights and evidence-based strategies, enabling corporate entities to adapt to evolving market dynamics and regulatory landscapes while driving sustainable growth.

We provide support in aligning and integrating sustainability visions and programs, encompassing prioritized initiatives and environmental, health, social, and governance processes, into clients' decision-making frameworks and overarching corporate strategies.

Our Focus Forward Leverage

- Data driven research to guide decision making of the C-Suite Executives, investors, regulators and other key stakeholders.
- Streamline and enrich the customer experience across all our services
- Harness new data sources and technology to extend rating to key sectors such as manufacturing and oil & gas.

Our Services

ESG Ratings: We perform comprehensive analyses of environmental impact, social responsibility, and corporate governance practices to provide a holistic assessment of a company's sustainability performance. Our ratings are tailored to meet the unique needs of each client, whether they require individual company assessments or industry comparisons. Utilizing transparent methodologies that incorporate industry best practices, regulatory frameworks, and stakeholder

engagement, our ratings ensure credibility and trustworthiness.

We offer customized reporting designed to be clear, concise, and easily understandable, facilitating informed decision-making by investors, stakeholders, and internal management teams.

Human Capital Development: We have a team of experienced experts and consultant that build capacity of Board of Director, top executive, middle level management and executive trainees across Environmental Social Governance framework, engineering.

Market intelligence: We conduct indepth analysis of the industry landscape, including market size, growth trends, and key players. Our competitive analysis dimension the competitors' strategies, strengths, weaknesses, market share, and positioning. We deploy statistical models and machine learning to forecast market developments and demand. We identify market trends and analyse current and emerging market trends that could impact the business.

Environmental Consulting: We understand the pivotal role that Environmental Management Systems (EMS) play in this journey towards sustainability. Our Environmental Management Systems Certification Services are designed to guide organizations through the complex but rewarding process of achieving and maintaining EMS certification.

SDG Baseline Studies

IPMC offers comprehensive SDG baseline studies to evaluate organizations' status in relation to the United Nations Sustainable Development Goals. Our service identifies gaps, sets measurable targets, and provides strategic recommendations. This ensures a tailored approach for your organization to achieve sustainable development effectively.

Our Team

Our team of experts provides unparalleled insights and leading data solutions, partnering with clients to broaden their perspectives, enhance their confidence, and support decisive decision-making. Comprised of highly professional and experienced individuals, our team excels in executing research projects that enable corporate firms to scale.

Contact us

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BACK COVER

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