

SUSTAINABILITY REPORT FOR THE YEAR ENDED DECEMBER 31, 2019



Introduction

At Veritas Kapital Assurance Plc, we are aware that a strong Environmental, Social and Governance (ESG) proposition can safeguard our long-term success. As such, we are committed to getting our ESG proposition right in addition to the provision of economic value. This is to create higher values in our business operation and activities. As part of our commitment, we have fully incorporated environmental and social standards into our business operations and activities. This is in line with regulatory expectations.

Our Environmental and Social risk management framework constitutes an integral part of our robust corporate governance, social responsibility and enterprise risk management strategies. Our obligation to uphold environmental and social sustainability considers the occupational and community health, safety and security concerns of the businesses we underwrite and advocates social responsiveness amongst our clients with these risks.

This Sustainability Report covers the goals concerning the environment, economic, social and governance (Business and Ethical Conduct), Health Safety and Welfare at Work, Employee Involvement and Training and the Customers etc.

1. ECONOMIC

a Suppliers Relations Management and Ethics

The Company has operating standards for purchasing and the selection of suppliers. Our ethical practices address procurement, transparency, confidentiality, fairness, corruption, conflict of interest, support for Small and Medium Enterprises (SMEs) and women-owned businesses, forced labour, social responsibility and Health & Safety. Annually, our approved list of vendors and contractors are reviewed in line with the service level agreements.

b Responsible Products and Services

As one of the foremost underwriting firms, Veritas Kapital Assurance Plc is strategically positioned to impact on the Nigerian Insurance Market through its bouquet of customer-centric products and services. We continuously ensure that our transactions are carried out in line with applicable regulations and international best practices. Our commitment is evident in the entrenchment of economic and environmental considerations in our operations.

2. SOCIAL

a Diversity in the Workplace

This refers to diversity across the workplace including at management level. These can be categorized along the dimensions of gender, age and physical abilities. The Company's employee policies prohibit discrimination on grounds of caste, creed, disability, race, ethnic group, religion, age, gender or economic background.

b Labour practices

VKA supports equal opportunity policy structures and inclusive work environment that ensures employability, skills development and fair remuneration/benefits for its employees.

Employee Turnover Rate is low, the percentage of contract staff to full-time staff is 33% while our non-discrimination policy is adhered to. The company recognizes that women play a crucial role in achieving sound economic growth and poverty reduction. When empowered, they contribute significantly to family income and consequently, poverty reduction with female representation in its workforce and currently about 35%.

Incentive schemes designed to meet the circumstances of everyone are implemented wherever appropriate and some of these schemes include staff retirement benefit, productivity bonus, promotion and salary review.

Employee job satisfaction surveys are periodically conducted to obtain opinions on aspects of our relationship that requires improvement.

c Occupational Health & Safety

The Company recognizes her workforce as one of her most strategic assets. It strictly observes all health and safety regulations. The Company maintains business premises designed to guarantee the safety and healthy work conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards.

Also, free medical services and counselling are provided for the Company's employees and their families through a reliable Health Management Organization (HMO). The company through its HMO periodically runs free health education and awareness programs to staff.

The level of adherence to our Health, Safety and Environment policy was high. There was neither any injury nor fatality recorded in the year 2019 relative to the workforce.

d Human Rights

While dealing with employees, suppliers and third-party contractors, the company ensures that business is done in a manner that respects human rights, that everyone is treated fairly and without discrimination. To ensure that we always meet this responsibility, we maintain an effective grievance mechanism and whistleblowing platforms that facilitate prompt identification and remediation of grievances.

No grievances about human rights impacts was filed, addressed, or resolved concerning suppliers, employees, customers or stakeholders.

e Society

As part of social risk management, VKA also aligns its Corporate Social Responsibility (CSR) programs towards the goal for social development within communities in which the company operates by supporting education, improving health and increasing long-term employment.

Part of the positive social contribution of VKA Plc within the year 2019 was the support towards health through the donation of bed covers and pillowcases to a specialist hospital.

3 GOVERNANCE

a Anti-corruption

VKA has zero-tolerance for corruption, bribery, money laundering, abuse of office and similar misdemeanors. The Company has put in place a robust Whistle Blowing Policy which enables staff to anonymously report unethical activities affecting any aspect of its operations. The company's anti-corruption policies and procedures are placed on our intranet for easy access to its employees and management.

There was no Incident, fine or exposure related to bribery and corruption within the period January 1 to December 31, 2019.

4 ENVIRONMENTAL

a Product and Services Responsibility

There is little or no environmental impact arising from our products and services in the course of their lifecycle, (including product design, development, testing, etc.). Rather they aim at sustaining businesses of other establishments through the principle of indemnity.

b Waste Management (Reduction Of Paper Usage)

We recognize that a better and prosperous future is linked to the well-being and health of our planet. The protection of the environment is important to us; we actively monitor our carbon footprint concerning the use of paper and tracking our energy consumption through the consultation of Power Auditors.

The company has embraced the environmental management concepts of *reduce, reuse* and *recycle*. Most internally generated communication within the office is handled electronically without recourse to paper printing. Likewise, about 75 per cent of our customer policy renewal notices are delivered electronically.

5 Energy (contributing to the reduction of greenhouse emissions)

- i. As VKA continues to pursue adaptation measures that promote sustainable operations in its business, its strategy of reducing greenhouse gas emission includes fitting energy-efficient lighting facilities at our various branches/facilities. This has reduced our energy requirements for lighting by about 50% and our new lighting facilities are estimated to last longer than traditional incandescent lighting systems.

- ii. The old 500 KVA power plant at the Head Office has been replaced with a smaller, modern and efficient 300 KVA electricity generator which reduces emissions.

6 Compliance

Adherence of activities to relevant environmental laws is high in VKA Plc leading to nil monetary value of fines for non-compliance to environmental laws and regulations for the year 2019.

Conclusion

As a responsible business, we go beyond just doing the right thing. We aim to be a catalyst for change - using our skills and relationships to create a lasting impact on the world around us. We believe that our customers, employees, the wider community and the world we live in deserve to be treated ethically and actively supported.

We remain committed to continued sustainable growth and excellence; placing great value on our customers, our people and delivering benefits to our local communities without endangering our environment.

For: VERITAS KAPITAL ASSURANCE PLC



SARATU UMAR GARBA
Company Secretary/Legal Adviser