



**THE Nigerian  
STOCK EXCHANGE**

**CONNECTING  
NIGERIA TO THE  
WORLD THROUGH A  
SUSTAINABLE  
CAPITAL MARKET**

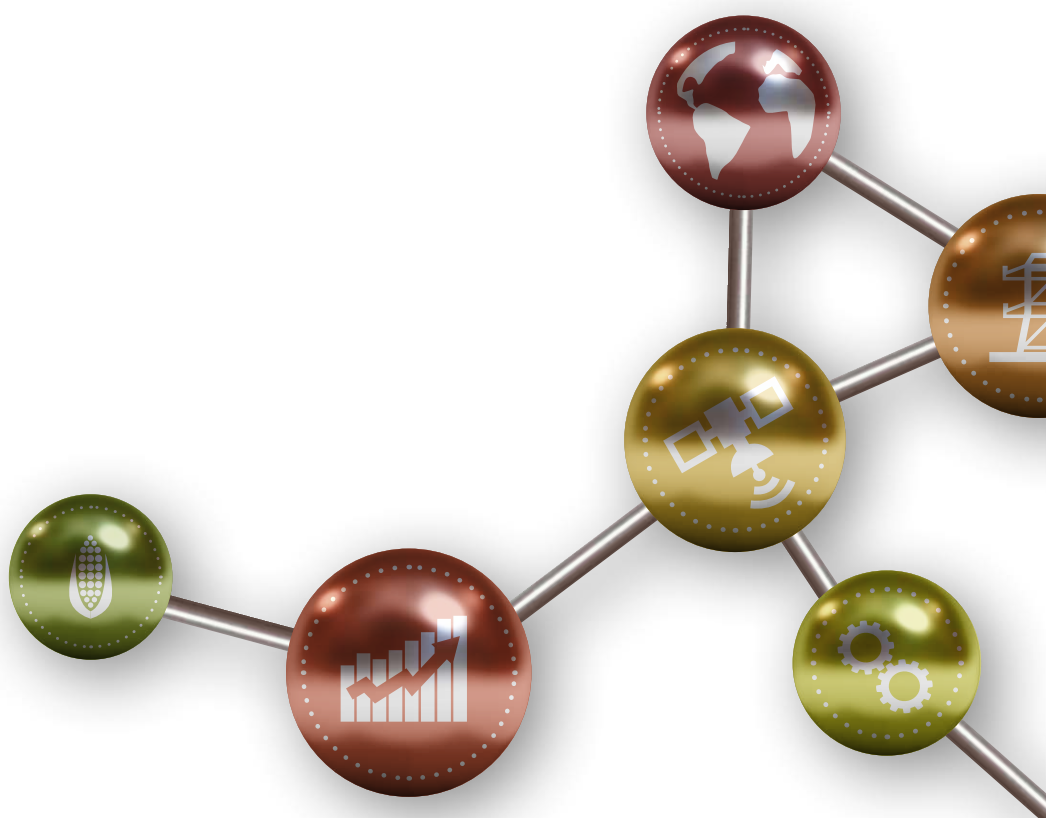
[www.nse.com.ng](http://www.nse.com.ng)

**Corporate Social  
Responsibility Report 2014**



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## About This Report

# Welcome to the Nigerian Stock Exchange's (NSE) first Corporate Social Responsibility (CSR) Report.

This report showcases how we are deploying engaging and impactful CSR initiatives, that are aligned to our core business and which contribute to the socio-economic development of the areas where we operate.

The scope of the information in this report covers the company's affairs in Nigeria. Unless noted otherwise, the data presented refers to the year 2014, which ended 31 December 2014. Where appropriate, we have also included information on relevant activities underway in 2015, during which this report was published.

The information in this report has been gathered using our existing data management systems and is subjected to internal review. The report has been prepared by the Corporate Sustainability Committee, with the assistance of several departments and support from sustainability consulting firm, Corporate Citizenship.

### **THE NIGERIAN STOCK EXCHANGE**

Limited by guarantee duly incorporated under the laws of the Federal Republic of Nigeria

Registration number: 2321

Registered office: 2/4, Customs Street, Marina, Lagos, Nigeria

## A Message from our CEO



At the Nigerian Stock Exchange, we are committed to supporting economic growth by ensuring an efficient and sustainable capital market. This also includes our obligation to deliver a sustainable organisation through responsible financial and investment services, engaged and talented people, community contributions and environmental stewardship.

The Exchange's transformation journey has led to the diversification of its business in accordance with best practice based on global trends in responsible finance and changes in the macro environment. This process led to the establishment of a Corporate Social Responsibility unit in 2013 and the institution of our Strategy.

Leveraging our unique position as the biggest exchange in West Africa, we want to promote sustainability along the four key impact areas of Marketplace, our platform for promoting market-based approach to Environmental, Social and Governance (ESG) imperatives; Community, where we make contributions to positively impact lives; Workplace, through which we facilitate diversity, wellbeing and harness the talent and skills of our people; and the Environment as we focus on reducing the Exchange's environmental impact.

Over the past year, we signed on to the United Nations' Sustainable Stock Exchanges (SSE) Initiative, launched the Corporate Governance Rating System and held the inaugural Corporate Challenge to raise funds for cancer treatment in Nigeria. In recognition of our improved performance, the NSE was awarded "Best Initiative in support of SMEs & the Millennium Development Goals" by Africa Investor Investment & Business Leader Awards.

This report sets out our Corporate Social Responsibility (CSR) initiatives in more detail, our approach to each of our focus areas, as well as the more general role we play, through our business activities, in encouraging good corporate practices and creating durable wealth. This report also includes our priorities for the year ahead and outlines our commitment to further development of our CSR practices.

In 2015, we plan to increase our stakeholder engagement, encourage employees to get more involved in our operating community and commence the process of phased introduction of Sustainability Disclosure in the Nigeria Capital Market. We welcome your comments and are open to suggestions that will enhance our future endeavours.

A handwritten signature in black ink, appearing to read "Oscar N. Onyema". The signature is fluid and cursive, written over a light blue horizontal line.

**Oscar N. Onyema, OON**  
*Chief Executive Officer*

# Overview

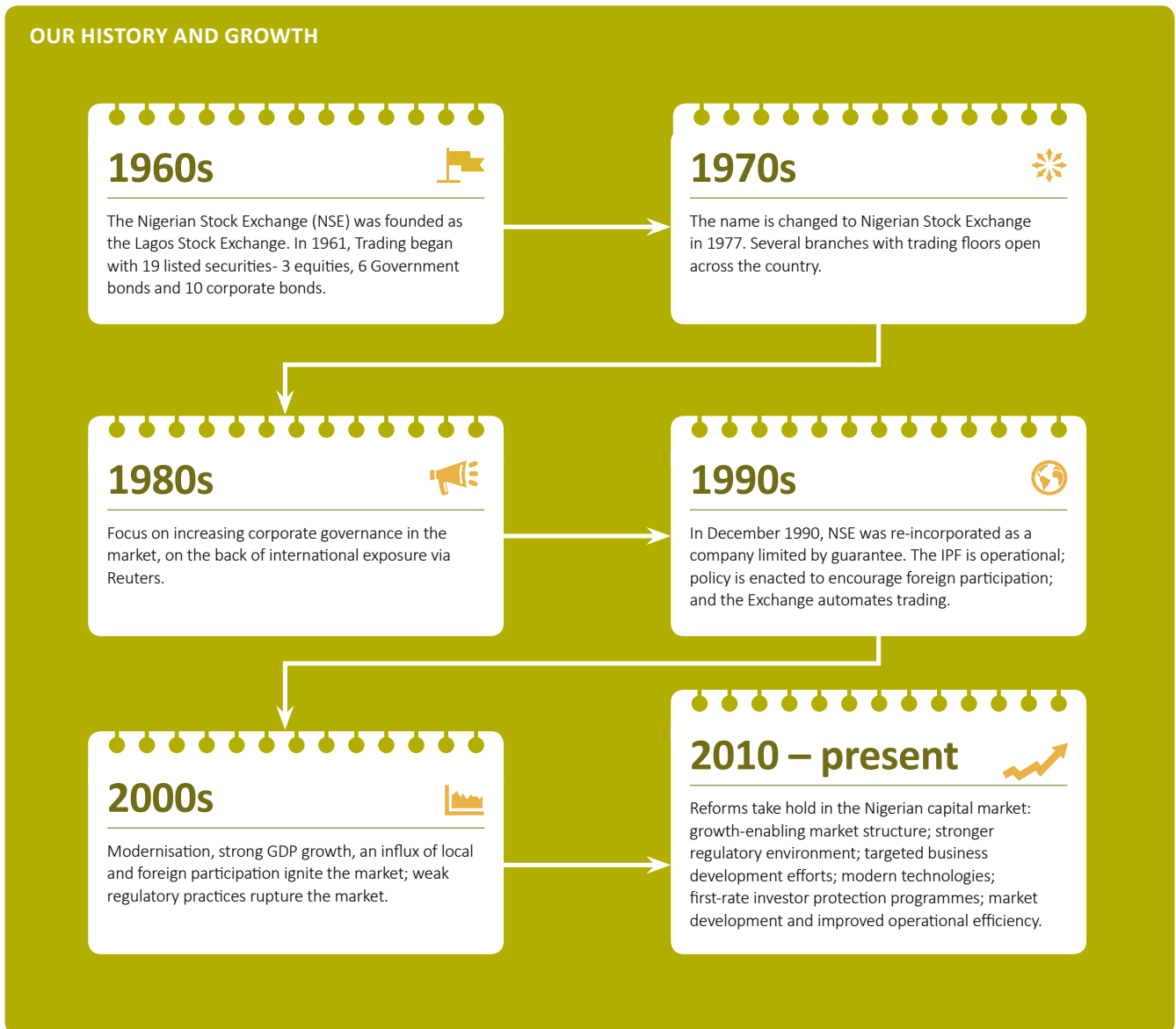
## About the Nigerian Stock Exchange

The Nigerian Stock Exchange (NSE) connects Nigeria to the world by providing a robust capital market that enables retail, institutional, domestic and foreign investment in Africa’s largest economy. We provide investors with a comprehensive range of products and services including equity investments in more than 180 listed companies, a retail bond trading platform and exchange-traded products.

The NSE was founded in 1960 as a mutual company. Since then our organisation and governance have evolved in line with Nigeria’s growing economy and role in global markets.

Today, the NSE is a registered company, limited by guarantee, licensed under the Investments and Securities Act (ISA) and regulated by the Securities and Exchange Committee of Nigeria

(SEC). It is headquartered in Lagos with 13 branches across the country. We are an open, professional and vibrant exchange connecting Nigeria, Africa and the world.



Our success is built upon a clear strategic direction and a shared commitment to the NSE's vision, mission and values.

**OUR VISION**

To be Africa's foremost securities exchange, driven by regulation, efficiency, liquidity and innovation.

**OUR MISSION**

To provide investors and businesses with a reliable, efficient and adaptable exchange hub in Africa, through which they can save and access capital.

**OUR CORE VALUES**

Our core values are the defining principles by which we operate as individuals and as a company. They define who we are, how we work, what

we believe in and what we stand for. These four values are at the heart of everything we do:



**Transparency**

Transparency and trust are the cornerstones of our business. People make investment decisions based on the information we provide to them, and so we must ensure that information is always accurate, consistent and clear.



**Teamwork**

Our performance depends on our employees. We will always recognise and reward their individual contributions.



**Integrity**

We are passionate about maintaining the highest ethical standards and being honest in all our dealings. Our employees are expected to demonstrate a high level of personal integrity in all of their dealings, particularly, but not only, in the performance of their duties for our business.



**Professionalism**

We strive for competence, excellence and the highest global standards in providing a quality service to our customers, and doing so in an efficient and timely fashion.

**Our corporate strategic plan**

In 2013, we committed to developing our corporate strategy. Following a strategic review and planning process, we developed the 2019 Corporate Strategic Plan aimed at building a leadership position as Africa's foremost securities exchange. The aim is to increase our regional and global footprint by creating an attractive

environment for domestic and international issuers and investors.

The 2019 Corporate Strategic Plan has three target-driven strategic objectives:

- 1) Increase the number of new listings across 5 asset classes
- 2) Increase order flow in the 5 asset classes

- 3) Operate a fair and orderly market based on just and equitable principles

As we continue evolving to meet the needs of our valued customers, our focus will be on improving market access, developing the right products, and raising the status of our emerging market.



## Our role in Nigeria's economy

The NSE plays a vital role in the economy of Nigeria by providing businesses with a platform for raising capital, and providing institutional and retail investors with the opportunity to invest through a robust market infrastructure. Through this role we support growth in Nigeria's economy whilst providing an opportunity for investors to increase their wealth, gain exposure to new opportunities and spread risk through diversification.

The NSE offers the opportunity to invest in Nigeria through four core product types:



### Equities

Generally referred to as shares, equities are negotiable instruments issued by a corporation that represent a capital share of that

corporation. By investing in equities on the Nigerian Stock Exchange you are buying part-ownership of an NSE-listed company. More than 180 companies are listed on the NSE, representing a range of industry sectors and including both mid-cap companies and more established businesses.



### Bonds

We offer access to a range of debt securities through our retail bond trading platform, including municipal, corporate, sovereign, state and supranational bonds, as well as a secondary market in listed debt instruments. Bonds are debt securities that are issued to lenders of long term loans. It is basically an "IOU" issued by one party to another. When you buy

or invest in a bond, you are lending money to a corporation or other entity – known as the issuer – who promises to make periodic interest payments (called coupons) on the bond, as well as to repay the original loan (the principal) on a stipulated date (the maturity date).



### Exchange Traded Funds (ETFs)

We offer a range of ETFs, which are traded like shares and track the value of a particular index or commodity. ETFs provide investors the opportunity to diversify their portfolios without going through the rigours of selecting individual securities. For example, when you buy an ETF that tracks the NSE 30 Index, it gives you ownership of a portfolio of shares of all the securities listed in the NSE 30 Index.

## Value added statement

This statement illustrates the activities of the NSE for the financial year ended 31 December 2014 in such a manner as to show clearly the economic value created and how this is distributed.

### Direct economic value generated and distributed

<i>Direct economic value generated:</i>	<i>Thousands of ₦</i>
Gross earnings	8,115,177
Reversal for losses	66,395
<hr/>	
<i>Economic value distributed:</i>	
Operating costs (Including payments to suppliers)	2,371,720
Employee wages and benefits	2,276,360
Payments to government (Tax expenses*)	0
<b>Economic value retained:</b>	<b>3,533,492</b>

\*Note – as a not-for-profit limited by Guarantee Status, the NSE do not pay corporate taxes.

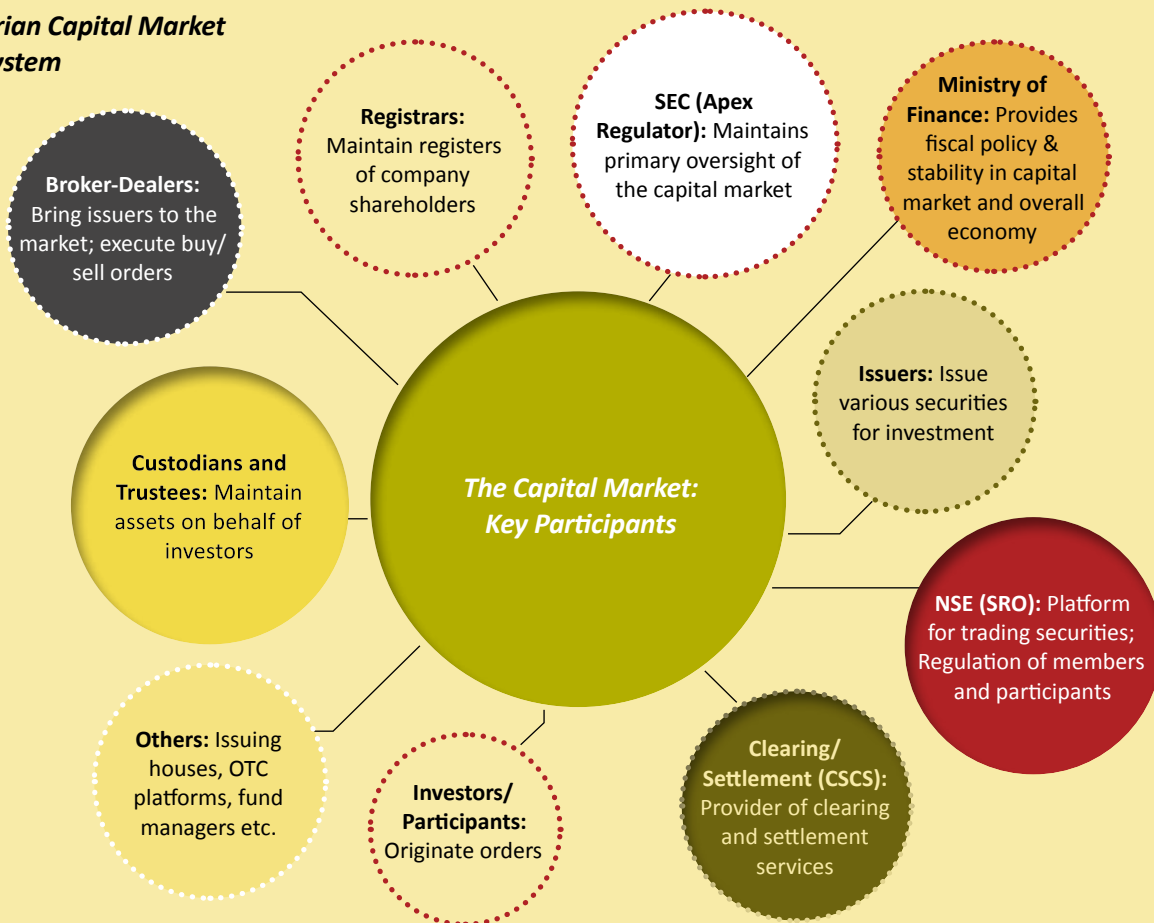




## Our stakeholders

Our role in the Nigerian economy means that the NSE has a wide range of stakeholders. We have identified the key stakeholders in the Nigerian Capital Market Ecosystem in the diagram below. We believe that stakeholder engagement is one of the key foundations for our business. This report is an important aspect of our stakeholder engagement process.

### Nigerian Capital Market Ecosystem



# Our Approach to CSR Governance and Strategy

We operate in Africa’s largest economy and this unique position places significant responsibilities on us to support growth across multiple industries. It is imperative that we provide an efficient and sustainable capital market. In order to do so, we must create long-term value for our stakeholders by embracing opportunities, whilst at the same time managing the risks that derive from





economic, environmental and social change.

In recent years we have sought to align our CSR strategy with global best practice, and in particular with the evolving expectations of sustainable and responsible finance. We have focused our strategy and the CSR governance structure that supports it on two central ambitions:

- To make responsible and sustainable business practices a core competence of our organisation, integrated into our daily business decisions and operations
- To provide opportunities for our stakeholders to make positive contributions towards a sustainable future, through new and innovative investment products

## Our CSR strategic framework

We have developed a strategic framework that sets out our commitments and priorities against four key impact areas for our business: Marketplace, Community, Workplace and Environment. These priorities have been defined based on the material CSR risks and opportunities linked to the long-term success of the NSE and our stakeholders.

FOCUS AREA	COMMITMENT
 <p>Marketplace</p>	<p>Promoting market-based approach to Environmental, Social and Governance (ESG) imperatives amongst all stakeholders.</p> <ul style="list-style-type: none"> <li>- Develop a sustainable capital market.</li> <li>- Maintain the highest standards of ethics and corporate governance.</li> <li>- Ensure ethical and sustainable suppliers relations.</li> </ul>
 <p>Community</p>	<p>Making positive contributions to the communities where we live and work.</p> <ul style="list-style-type: none"> <li>- Support educational programs that increase financial literacy and inclusion, infrastructural development and capacity in our local communities.</li> <li>- Support initiatives that combat global and local health issues.</li> <li>- Enable employees to contribute to their local community and support the NSE CSR plan through corporate volunteering.</li> </ul>
 <p>Workplace</p>	<p>Fostering an engaging and high performing work environment that facilitates diversity, wellbeing and development of our people.</p> <ul style="list-style-type: none"> <li>- Promote Diversity and Inclusion.</li> <li>- Facilitate Health, Safety And Wellbeing.</li> <li>- Encourage Human Capital Development.</li> </ul>
 <p>Environment</p>	<p>Focusing on reducing the Exchange’s environmental impact</p> <ul style="list-style-type: none"> <li>- Minimize our impact on the environment through increasing efficiency and reducing consumption.</li> <li>- Promote environmental awareness and sustainability.</li> </ul>

## Corporate governance at NSE

We adopt best practice with respect to corporate governance, recognising its importance to achieving our vision. We ensure that all our dealings with stakeholders are conducted to the highest ethical standards.

The National Council is responsible for providing oversight for the NSE’s business and financial affairs, strategy,

structures and policies; monitoring the exercise of any delegated authority; and dealing with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics. As the NSE is a self-regulatory organisation, the Council is also responsible for ensuring that it meets all the conditions of its license as prescribed by the Securities and Exchange

Commission (the apex regulator of the Nigerian Capital Market), and contained in the in the Investment and Securities Act, 2007.

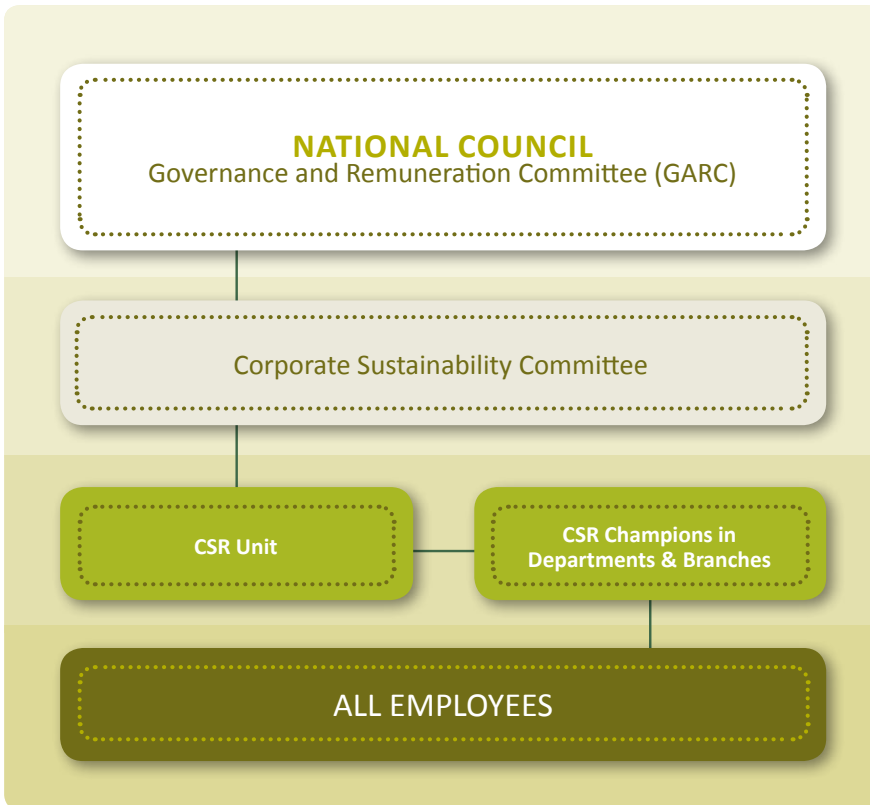
The Chief Executive Officer (“CEO”) conducts the day-to-day management of the NSE, assisted by the Executive Committee, which is appointed by the Council.

## Our CSR governance structure

Our management of CSR at the NSE takes place on four levels: the National Council, the Corporate Sustainability (CS) Committee, the CSR Unit and our network of CSR Champions.

**NATIONAL COUNCIL & CS COMMITTEE**  
The NSE's National Council provides governance oversight and is responsible for the effective integration of CSR strategy and goals into all

aspects of our organisation. The NSE Executive Committee, which reports directly to the National Council, serves as our CS Committee. It provides leadership on strategy, policies and implementation.



The CS Committee meets on a quarterly basis and is comprised of the CEO, Executive Director Market Operations and Technology, Executive Director Business Development, the Head of our Legal and Regulation Division and the Head of our Corporate Services Division.

### CSR UNIT AND CSR CHAMPIONS

The CS Committee delegates the day-to-day management of CSR activities to the CSR Unit, which submits quarterly performance reports and updates to the Committee. The CSR Unit is supported in implementing CSR strategy by a network of CSR Champions, who are drawn from all of the NSE's branches and departments. Each CSR Champion is responsible for implementing CSR policies and promoting awareness within his or her division.





# Marketplace

## **Our responsibilities in the Marketplace**

The impact of the Nigerian Stock Exchange’s business should be a positive one for the country as a whole. Our primary purpose is to build a robust and sustainable financial market that can enable businesses to access capital at the same time as establishing Nigeria as an international financial centre. In order to ensure a positive impact from our activities, we have developed the NSE’s approach in line with responsible practice for financial markets.

efforts on increasing the number of listed companies; introducing responsible products and services for investors and strengthening integrity, transparency and sustainability in the marketplace.

We recognise that our supply chain extends the NSE’s impact in the marketplace beyond our own direct activities, and we seek to promote sustainable business practices amongst our supplier partners.

## **Promoting greater transparency**

Our new X-Issuer platform facilitates fuller disclosure of information by listed companies through seamless electronic submissions, providing investors with robust background information on companies, which they can use as a basis for their decisions. In addition to this, we have launched the X-Whistle whistle-blowing platform, which enables people to report any suspected breach of Securities and Exchange Commission (SEC) rules and regulations confidentially.

### **Key achievements**

- Launched the Alternative Securities Market (ASeM), a specialist board for the listing of SMEs, in April 2013.
- Signed on to the Sustainable Stock Exchanges (SSE) Initiative October 2013.
- Launched the Corporate Governance Rating System (CGRS) in November 2014.
- Formed a partnership with Global Reporting Initiative (GRI) to develop Sustainability Disclosure Guidelines in the Nigerian Capital Market.
- Signed the UNGC Call to Action: Anti-Corruption and the Global Development Agenda

## **Progress in 2014**

This was a year of significant progress for our efforts to embed sustainable financial practice amongst all participants in the NSE. We have introduced new platforms to encourage transparency and combat fraud whilst setting new corporate governance standards. At the same time, we have enhanced our operating platforms and continued to develop a new listings market to support small and medium-sized enterprises (SMEs).

## **Enforcing new governance standards**

Market confidence depends upon governance standards for the NSE that are clearly articulated and firmly applied. In 2014, we partnered with the Convention on Business Integrity to launch the Corporate Governance Rating System (CGRS), which provides assurance for investors by evaluating companies based on the quality of their corporate integrity; corporate compliance with governance rules; understanding of fiduciary responsibilities by directors and corporate reputation. The initial pilot phase of CGRS invited voluntary participation by listed companies. From 2015 onwards, participation will be a requirement for any company listed on our Premium Board.

## **Supporting the Sustainable Stock Exchange (SSE) Initiative**

The NSE is a proud member of the Sustainable Stock Exchanges Initiative, which was launched by the United Nations Secretary General Ban Ki-Moon in 2009. The SSE Initiative is co-organised by UNCTAD, the United Nations Global Compact, the United Nations Environment Programme’s Finance Initiative, and the UN-supported Principles for Responsible Investment, and explores how stock exchanges can encourage responsible long-term approaches to investment. After signing a letter of commitment to the principles of the SSE in October 2013, we are currently in the planning stage for two key measures under the initiative: requiring comprehensive sustainability reporting for listed companies and offering sustainability guidance and training.

## **Our approach**

We aim to develop a robust, sustainable capital market through internal and external-facing measures:

- Internally, we continually seek to enhance the reliability and stability of our trading and market data platforms whilst maintaining business practices that are fair, ethical and responsible.
- Externally, we focus our marketing

## **Investor protection through education**

We believe that education also has a vital role to play in protecting investors’ interests. During 2014, we organised over 200 workshops for retail and institutional investors across Nigeria, as part of a financial literacy programme on building wealth whilst managing risk.

### ***Developing our technology platforms***

Following the launch of our new X-Gen platform in 2013, the NSE now has the fastest trading engine in Africa. The development of X-Gen has been based on a number of leading technologies, including the NASDAQ OMX's X-Stream engine. It increases the speed with which brokers can connect to our trading platforms by up to 20 times, whilst ensuring that information is relayed in real-time to the Central Securities Clearing System and the Central Bank of Nigeria.

### ***Evolving our listings proposition***

We have intensified our marketing efforts to increase the number of companies listed on the NSE and ensure that they represent the key sectors driving economic growth in Nigeria. This included a partnership with Thomson Reuters to provide investor relations services to companies listed on our exchange.

Though we received six new equity listings and 12 new bond market listings during 2014, a slight dip in the value

of new issues was experienced in the period under review. We will continue to focus our efforts to develop our listings proposition and increase the number of companies on the NSE.

### ***Supporting entrepreneurship and small businesses***

The Alternative Securities Market (ASeM), a specialist board for the listing of SMEs which we launched in April 2013, achieved strong progress during the year, establishing a pipeline of companies at different stages of listing. The Federal Government of Nigeria has expressed keen interest in supporting the growth of SMEs, given their major contribution to national GDP and important role in eradicating poverty. ASeM is closely aligned with its national plan for developing this sector.

Since the launch, ASeM has recorded remarkable progress. Over ten organisations have benefited from being listed on ASeM. In addition, the NSE has focused on building awareness through education, communication

and partnership. Through running workshops and roadshows, the Exchange reached over 4,000 SMEs and featured ASeM at a number of large industry conferences. It has also partnered with an SME related trade association, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN).

### ***Our priorities for 2015***

- Implement stakeholder engagement programmes and capacity building initiatives to ensure the Market is adequately positioned to report ESG performance when the Sustainability Disclosure Guidelines, developed with GRI, are launched.
- Continue the process of integrating our Corporate Strategic Plan, which sets out our approach to grow the Exchange and increase our competitiveness over the next five years.





# Community

## Our responsibilities in the Community

The Nigerian Stock Exchange has a long-standing commitment to supporting the local communities where our 14 offices are located. We seek to make a positive contribution by aligning with national and global initiatives, and focusing our efforts where they can deliver lasting benefits in communities where we operate.

### Key achievements

- Reached more than 600 students from over 20 primary and secondary schools through our Global Money Week initiative.
- Successfully launched our first Corporate Challenge competition that drew more than 350 participants from over 40 companies together around the theme of cancer prevention and treatment.
- Initiated a planning process to revitalise the Financial District in the Lagos State Central Business District.
- Held the inaugural Employee Give-back Month in December 2014 as a first phase to the Employee Volunteering Scheme.

## Our approach

Our range of community activities includes support for investment projects and partnerships, direct corporate giving and philanthropy, and mobilising our employees to participate in volunteer work in their local areas. In order to maximise our impact on our communities, we focus our efforts around three pillars:

- Education and Enterprise
- Health and Wellbeing
- The Environment

## Progress in 2014

During 2014 we continued our support for a range of financial education and inclusion programmes, whilst launching a new scheme aimed at helping motivated graduates into the workplace. At the same time, we have furthered our campaign for the prevention and treatment of cancer at grassroots level.

### Education and Enterprise

Education is a key building block for a vibrant and prosperous society and economy in Nigeria. The NSE supports innovative and impactful programmes with a particular focus on financial literacy, career counselling and inclusion. There are:

#### 1. NSE Inspire:

2014 saw the launch of NSE Inspire, a youth development programme aimed at bridging the gap between academic and professional experience for graduates. Implemented in partnership with the Federal Government's Graduate Internship Programme, NSE Inspire provides valuable work experience related to participants' career interests. The 12-month programme includes the following key elements:

- Induction Workshop, giving an overview of the NSE's operations and activities
- Rotational job placements, with graduates moving between different departments and divisions every three months, to gain broad experience of the workings of our Exchange
- Regular career counselling sessions, assessing the experience and knowledge that graduates are gaining and providing advice on identifying career opportunities
- Continuous training throughout

the course of the programme, including courses focused on project management, emotional intelligence and use of IT operating systems

- Quarterly performance appraisals as part of a two-way process that also includes graduates providing HR with feedback on the programme.

#### 2. Global Money Week

We marked Global Money Week with a series of educational programmes directly reaching more than 600 students from over 20 primary and secondary schools and sharing knowledge about saving, investing, gaining employment and entrepreneurship. We estimate that the programme will have a wider indirect impact on the lives of over 3000 young people beyond those we directly engaged with. Events included a day at the NSE in Lagos, an NSE stand at the Central Bank of Nigeria's financial literacy exhibition in Abuja and an outreach programme at the government secondary school in Owerri, where students participated in an interactive financial literacy session.

Highlights of the day at our Exchange in Lagos included:

- Students from the Credit Awareness Organisation ringing the opening bell
- Group enlightenment sessions on the role of the Exchange and how the capital market works
- Students observing brokers on the floor, and talking to them to get their views on investing
- Students from schools in our partner The Access Bank's Children's Banking Group and the SOS Children's Village participating in a day at the Exchange. Sessions included discussions of money and investing, and the benefits of shareholding
- Students ringing the closing gong

### 3. NSE Essay Competition

The NSE Essay Competition, which we first launched in 2000, encourages students to research and write about real-world economic issues and events, helping them to develop the financial awareness required to make confident decisions about money.

Students are asked to consider real-world economic events and trends, conduct research online and develop their financial knowledge. The aim is to provide them with skills for their own financial future.

All the entrants go through a rigorous judging process conducted by capital market professionals, who evaluate the students based on their understanding of their given topic and their ability to express their investment ideas. Our 2014 winners, selected from a shortlist of 60 finalists, were:

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**POSITION:** 1  
**NAME:** Onuh Chiamaka Sophie  
**SCHOOL:** Nikkyt High School, Aba

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**POSITION:** 2  
**NAME:** Ejike Blessing Mbilita  
**SCHOOL:** Beth Roots Model Sec. School, Onitsha

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**POSITION:** 3  
**NAME:** Onmonya Prince Dan  
**SCHOOL:** Mount Saint Gabriel' Secondary School, makurdi, Benue



### Health and wellbeing

Our health and wellbeing initiatives focus on supporting global and local efforts to combat Malaria, HIV/AIDS, Cancer and Diabetes, diseases that the World Health Organisation (WHO) has identified as particular issues for Nigeria.

During 2014, we developed our campaign promoting grassroots awareness of cancer prevention and treatment with the launch of The NSE Corporate Challenge, a 5 km race, jog and walk competition. We invited brokers and companies listed on the NSE to field teams in the race, with entry fees supporting the national drive to provide Mobile Cancer Centres (MCCs) across Nigeria. Held at the Onikan Stadium in Lagos, the first ever Corporate Challenge drew more than 350 participants from over 40 companies.

On World Health Day, April 7 2014, we partnered with the LiveWell Initiative to host an Executive Health Enlightenment Scheme programme focused on the World Health Day theme of Vector-borne diseases. Our sessions focused on the prevention and treatment of Malaria, and also on awareness of the risk factors and prevention strategies for cardiovascular disease. We carried out free medical screenings including blood pressure checks, blood glucose tests, BMI calculation, hepatitis B and C screening, and a malaria test, distributing over-the-counter medicines and offering counseling and advice to those involved.

### The Environment: Revitalising the Financial District

In 2014, the NSE initiated a planning process to revitalise the Financial District in the Lagos State Central Business District. We have partnered with First City Monument Bank, First

Bank, Union Bank and Central Bank of Nigeria to collaboratively address the various environmental and social challenges facing the area. With our partners we aim to:

1. Create a safe environment free of criminal and other activity that threatens and intimidates inhabitants.
2. Develop an attractive and functional area with modern amenities, and which is conducive to commercial, cultural, civic and recreational activity.

### Employee Volunteering

In 2014, we rolled out the first phase of the NSE Volunteering Programme by launching our Employee Give-Back Month, as a means of better connecting our employees and our communities. Employees donated their time and goods, including food, school supplies, toys, clothes, other household items and cash. The Child Life-Line Charity Organisation was selected to receive the donation of goods through a raffle of charities nominated by members of staff. Child Life-Line Charity is a member of the UNICEF-sponsored Child Protection Network of NGOs, which supports vulnerable children to develop into self-reliant, independent and responsible citizens.

### Our priorities for 2015

- Develop more focused tailored programmes around our Community focus areas that target specific stakeholder categories.
- Launch a new programme, Adopt-A-School, which has Student Financial Intellectual Advancement as one of its key pillars.
- Continue to deliver existing programmes against focus areas.





# Workplace

## ***Our responsibilities in the Workplace***

The Nigerian Stock Exchange employs 233 people across our 13 branches and head office. These employees are a vital asset to our business. Our ambition to become Africa’s foremost securities exchange depends upon their skills, professionalism and integrity.

We aim to become an employer of choice within Nigeria, building strong employee relationships based on mutual respect. We provide a safe and healthy working environment of equal opportunities, where people can grow and feel inspired.

### ***Key achievements***

- Achieved an average of 96% training participation over the last three years.
- Achieved 38% women in management positions.
- Participated in the Great Place to Work Survey.
- Introduced an employee award scheme, the CEO Awards, to recognise outstanding performance.

## ***Our approach***

### ***Building an inclusive, high-performance culture***

We are a results-oriented organisation, and we seek to establish a working environment that is intellectually challenging and focused on performance. We have also worked to embed an inclusive culture at the NSE, embracing diversity, change and innovation as drivers of growth.

This balance of inclusion with a performance focus is embodied within our core values of Transparency, Teamwork, Integrity, Professionalism (for

more details on our values see page 7). It is monitored and evaluated through the core competencies that we use to assess our employees’: Leadership Skills, Effective Communication, Organisational Ability, Creativity and Innovation.

## ***Progress in 2014***

### ***Investing in talent and developing our people***

During 2014, 92% of NSE employees took part in learning and development programmes, and over the past three years we have achieved an average training participation rate of 96%. This reflects our commitment to continuous skills development for our people, building on a robust, transparent recruitment process that selects the best available talent regardless of background.

The year saw us launch the Graduate Trainee Program (GTP), an intensive, 11-month course that aims to develop a new generation of leaders for both the NSE and the Nigerian economy more broadly. The program combines theoretical insights with a practical approach. It encourages a range of corporate and social skills whilst training our graduate recruits in the workings of the capital market.

### ***Promoting diversity and inclusion***

We are committed to creating a fair, inclusive workplace, with a workforce that reflects the diversity of our stakeholders and our country. Our culture prioritises acceptance and respect with no discrimination based on ethnicity, gender, sexual orientation, age, physical abilities, family status or religious beliefs.

As part of this commitment, we monitor the number of women within our workforce as a whole,

and the number of women holding management positions. In 2014, 31% of our employees, 38% of our managers and 20% of our Executive Committee were women.

We also monitor the representation of different age groups within our organisation, valuing the perspective that different generations and experiences can bring to achieving our goals. Currently, the average age of our male employees is 41 while the average age of female employees is 35; 84% of our employees are aged between 23 and 47, with 16% aged between 48 and 66.

### ***Combatting discrimination on grounds of health or disability***

We are committed to creating and maintaining an environment, which is free from all forms of discrimination, including against those with physical disabilities, and living with HIV/AIDS and other life-threatening diseases.

The NSE acknowledges that the HIV/AIDS epidemic affects our workplace, through prolonged absenteeism and illness, occupational health and safety, provision of benefits, and employee morale and productivity. We have introduced a HIV/AIDS Workplace Policy to help create a conducive working environment for employees living with HIV/AIDS, as well as eradicate any form of discrimination against those living with HIV/AIDS or any other life threatening illness.

Every employee has the right to confidentiality, and the right not to disclose their HIV status. We ensure periodic internal awareness programmes are conducted to make sure staff members have access to appropriate disease prevention, as well as access to medical care, support and

treatment. Advocacy programmes are conducted periodically through a variety of educational materials, our HIV/AIDS related e-newsletter and a quiz contest.

**Promoting health, safety and wellbeing**

We aim to provide a safe and healthy environment for all of our employees, and we recognise our responsibility to promote wellbeing for our people outside of the workplace as well. Our Executive Health Enlightenment Scheme programme on World Aids Day aimed at raising awareness of prevention and treatment for malaria and cardiovascular diseases amongst our employees,

and included health screenings and distribution of over-the-counter medicines. For more details, see our Community section on page 15.

**Our priorities for 2015**

- Maintain our commitment to developing our people, and maintain an average training participation rate of at least 95%.
- Grow the proportion of women amongst NSE employees from 31% to 35%.
- Work with employees to devise action plans in response to the Great Places to Work Survey.





# Environment

## ***Our responsibilities to the Environment***

We believe that environmental sustainability exerts a significant influence on the health of the Nigerian economy, and consequently on our business. We are committed to using resources in a sustainable manner, in order to ensure a stable basis for growth in the future.

The direct environmental impact of our business includes our use of electricity and gas for heating, cooling and lighting our buildings, the waste that we generate and our use of resources such as paper. However, our business can also have an indirect, beneficial environmental impact through the example we set and the practices we encourage amongst our partners and listed companies.

The NSE uses our level of influence to advocate for sustainable business practices. We are working to institute sustainable disclosure guidelines and a strategic roadmap which will stimulate sustainability imperatives in the Nigerian capital market. In June 2015, we will hold a sustainable roundtable event for the CEOs of listed companies, members of the broker dealer community, regulatory agencies and business leadership groups such as the Institute of Directors. The objective of the roundtable is to:

- Build awareness of sustainability at the highest levels of industry.
- Synthesize current thinking on sustainability opportunities and challenges in Nigeria.
- Hold discussions on instituting sustainability guidelines for the Nigerian capital market.

### ***Key achievements***

- Achieved a 70% drop in power consumption by installing energy efficient LED lighting across the Head Office.
- Launched NSE Recycles campaign and conducted organisational waste audit.
- Formed a partnership with the Lagos State Waste Management Authority (LAWMA) Recycling Unit
- Started an in-house recycling project whereby cans, glass & plastics are collected within our head office and recycled.

### ***Our approach***

The steps that we take to reduce our environmental impact go beyond the measures required by Nigerian law. We have a policy of continual improvement in environmental management practices, seeking to reduce waste, promote recycling and educate our employees about environmentally responsible behaviour. We also promote these practices in our supply chain and through investment products and services that support environmental best practice.

### ***Progress in 2014***

#### ***Using energy more efficiently***

We launched a partnership with Omatek Ventures to turn our Lagos head office into a showpiece for energy efficiency in buildings. As part of this initiative, we replaced all fluorescent tubes and 250-watt lighting fittings on our trading floor with 19-watt tubes, and replaced 80-watt fittings with LED lights. With no reduction in lighting quality, these measures have delivered a 70% reduction in energy consumption. This initiative

has significantly reduced our carbon footprint and achieved savings in lighting maintenance costs. In addition, it mitigates the risk of fire outbreaks.

#### ***Reducing waste and promoting recycling***

NSE Recycles is a major waste management and recycling program, launched in 2014, which will play a significant role in reducing our environmental footprint. During phase 1 of the program, we conducted a waste audit, which identified paper and plastics as the key focus of our recycling initiatives. We formed a partnership with that Lagos State Waste Management Authority (LAWMA) Recycling Unit that will see recyclable material collected from our premises. To realise this goal, we rolled out easily identifiable recycling bins across our premises. We have also briefed facility managers to help them identify recyclable materials and sort them appropriately, ready for collection. We backed NSE Recycles with an internal communications campaign, to drive employee awareness and engagement.

### ***Our priorities for 2015***

- Develop reduction targets for paper, energy, waste and water
- Roll out the energy efficiency program launched at our Lagos headquarters, to include all NSE branches.
- Continue to develop and promote the NSE Recycles campaign, with more awareness-raising measures amongst our employees.
- Continue to promote environmental awareness and sustainability amongst our partners and listed companies through events and our sustainable disclosure guidelines.

## Our Future Reporting Ambition

This is our first CSR Report. It presents our activities and performance in 2014 and sets out our future ambition and objectives. We see our CSR reporting as a process to engage stakeholders and tell our company's story as it develops over time. This report communicates our resolve to embed responsible and sustainable practices, as part of our growth aspirations.

Moving forward, we aim to align our future reporting with the internationally recognised Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines. The Guidelines provide a globally recognised framework and standard for reporting.

Additionally, we will engage stakeholders proactively in order to ensure that we are identifying, managing and reporting on the most material issues that matter to our business and those affected by it. Finally, while the information contained in this report has undergone internal review, the NSE is also committed to seeking external verification and assurance for our future reports. We strive to produce information which is relevant and reliable, in a concise and timely manner for our stakeholders. We welcome your feedback and questions on our CSR reporting.

For further information, visit:

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## External Recognition

The NSE was awarded “Best Initiative in Support of SMEs and the MDGs award” at the 2014 Africa Investor (Ai) Investment and Business Leader Awards.

The award was announced at the Ai Investment and Business Leader Awards which took place during the Ai CEO Investment Summit in Washington D.C. alongside the World Bank Annual Meetings. Africa investor hosts the Ai Investment and Business Leader Awards to reward exceptional business practices, economic achievements and investments across the investment spectrum in Africa.

As a responsible financial institution, improving access to financial and investment services for Small and Medium Enterprises (SMEs) in Nigeria is an important element of the NSE’s CSR strategy.

In 2013, the Exchange re-launched the Alternative Securities Exchange Market (ASeM) to address the funding and management gap experienced by SMEs in Nigeria. The ASeM operates under less stringent listing requirements to accommodate the peculiarities of SME’s compared to larger and more mature companies. The NSE was particularly focused on ensuring financial inclusion and supporting global partnerships with the aim of addressing the corresponding Millennium Development Goal 1 and 8.



## Industry Memberships and Initiatives



In October 2014, the NSE signed onto the Sustainable Stock Exchanges (SSE) initiative. The Initiative is co-organised by UNCTAD, the United Nations Global Compact, the United Nations Environment Programme’s Finance Initiative, and the UN-supported Principles for Responsible Investment, and explores how stock exchanges can encourage responsible long-term approaches to investment.



In 2014, the NSE became a member of the United Nations Global Compact (UNGC) Local Network, Nigeria. We are committed to the UNGC’s 10 universal principles while contributing to a more stable and inclusive Nigerian economy. We have also signed the UNGC Call to Action: Anti-Corruption and the Global Development Agenda which urges Governments to promote efficient

and effective anti-corruption measures and to implement robust policies that will foster good governance.



In October 2014, the NSE received a unanimous vote for admission as a full member in the World Federation of Exchanges (the “WFE”), the global trade association for the operators of regulated securities exchanges.

The NSE is the first West African stock exchange to be granted full Federation membership status.



In 2014, The Chief Executive Officer of the NSE, Mr. Oscar N. Onyema, was elected President of African Securities Exchanges Association (ASEA).

ASEA is the premier Association of 24 securities exchanges in Africa. ASEA aims at developing Member Exchanges, enhancing the global competitiveness of Member Exchanges and providing a platform for networking and exchange of information.

### Intermarket Surveillance Group

In 2014, the NSE became the first African stock exchange to join the Inter-market Surveillance Group (ISG). ISG is an international group comprising securities exchanges, market centres and market regulators that perform front-line market surveillance within their respective jurisdictions. Membership of the group enables the NSE to align its exchange market surveillance information with other ISG members which are amongst the best markets globally, as well as to strengthen its internal capacity.

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**THE Nigerian  
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