



## CODE OF ETHICS POLICY

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## OBJECTIVES

### Why do we need a Code of Ethics?

Advans La Fayette MFB' Code of Ethics intends to ensure that all Advans La Fayette MFB Board of Directors and staff members adhere to, promote, and apply the pillars in this code to guarantee Advans La Fayette MFB's good reputation and success. This Code of Ethics aims to guarantee that each member of the Board and staff member of Advans La Fayette MFB acts with honesty and integrity, and that they conduct their daily professional activities while bearing in mind their responsibility towards clients, other Advans La Fayette MFB staff members, the community and the environment. The Code could be considered as a "code of conduct"; it sets a minimum

standard for every staff member and Director of the company to follow and each individual should be aware that they are accountable for any action/s which goes against the Code.

**What is our mission?**

Advans La Fayette MFB’s mission is to provide client centric financial services to micro, small and medium enterprises and under-served populations in a sustainable and responsible manner.

**Who should follow the Code?**

The Advans La Fayette MFB Code of Ethics applies to the Board of Directors and staff members of Advans La Fayette MFB. The use of “Advans La Fayette MFB” and “the Company” throughout refers collectively to all individual staff and Directors.

**RELATED DOCUMENTS**

2\_STD\_LEG\_Compliance Charter

Name of related document 2

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# 1. The Five pillars of the Code

The five pillars of the Code are as set out below:

- + Integrity
- + Respect for Clients
- + Respect for other Staff members
- + Respect for the Community and the Environment
- + Taking Responsibility

## 1.1 Integrity

Each Advans La Fayette MFB Director and staff members commits to acting in a transparent and honest manner, and to putting the interests of the company before their own during their time spent in carrying out their duties respectively.

> **Conflicts of Interest:** staff agree to act in the best interests of the company when taking up their position, by fully disclosing personal relationship with Advans La Fayette MFB staff, clients and contractors. No staff member should directly or indirectly:

- + accept bribes, gifts (see below section on acceptance of gifts), favours or free services of any kind;
- + show favour to any particular party when establishing professional contracts with clients, partners, suppliers or any other third parties;
- + let their personal relations affect their interactions with other staff;
- + abuse their position to give preferential treatment to other staff, friends, family members or any acquaintances;

**A situation of conflict of interest** is defined as situation where an Advans La Fayette MFB staff member has competing professional obligations and personal interests which can potentially influence the due exercise of their professional duties.

**An occurrence of conflict of interest** is when an activity is performed, or a decision is taken by an Advans La Fayette MFB staff member, on behalf of Advans La Fayette MFB, which is motivated by personal interest and its going against Advans La Fayette MFB's interest.

**Personal interest** arises when an employee of Advans La Fayette MFB or one interested person in their personal circle, can obtain financial gain, prevent financial loss or more generally improve their situation.

*For definition of interested persons and more details refer to the **Compliance Charter**.*

If one of these relationships can bring the Advans La Fayette MFB employee to a situation of conflict of interest, it is the duty of the employee to disclose immediately this relationship to his/her manager as well as the Compliance officer, so that Advans La Fayette MFB will take measures to prevent the situation of conflict of interest from turning into an occurrence of conflict of interest.

Clear situations of conflict of interest for Advans La Fayette MFB staff members include the following scenarios:

- **Interested person is another Advans La Fayette MFB staff:** this leads to defining incompatible positions within Advans La Fayette organizational structure
  - ⊕ Any hierarchical relationship, either direct (e.g., BM and CSM in the same Branch) or indirect (Area Manager and CRO in the same Area)
  - ⊕ Internal Audit, Risk Department or Compliance, with any persons who they could have to audit/control, directly or indirectly
  - ⊕ Tellers with IT staff, Back Office staff and Branch Management
  - ⊕ IT staff and branch, back-office, or finance staff
  - ⊕ HR position with all Head of Departments, Head of units, BM, CSM, TL and Area Manager

For positions that are not incompatible, we must make sure that we take necessary measures to avoid having the interested person taking part on a decision which affects the employee.

- Interested person is a client of Advans La Fayette MFB (borrower, depositor, guarantor), the Advans La Fayette MFB staff in a situation of conflict of interest will not be involved in dealing with this client, in any way.
- Interested person is an employee of Advans La Fayette MFB's business partners (bank partnerships, and others): The Advans La Fayette MFB staff in a situation of conflict of interest should not be put in a position where he/she must deal with the business partner.
- Advans La Fayette MFB has a disclosure questionnaire-refer to the Compliance Charter for more details.

*For conflict of interest as it relates to the Board of Directors refer to the **Board Conflict of Interest Policy**, and in addition:*

- ⊕ Directors owe a fiduciary duty to the company, together with a duty of care, skill, diligence, and loyalty in fulfilling the functions of their offices and exercising the powers attached to those offices;
- ⊕ Directors should undertake diligent analysis of all proposals place before the Board and act with the level of skill expected from Directors;
- ⊕ Directors should not take advantage of their position for personal gain or to compete with the company;
- ⊕ Directors should not engage in any conduct likely to discredit the company, and should encourage fair dealing by all employees with the company's customers, suppliers, and competitors; and
- ⊕ Directors should encourage the reporting of unlawful or unethical behaviours and actively promote ethical behaviours and the protection of those who report violations in good faith.

Staff will carry out their daily tasks honestly and responsibly and not be involved in fraudulent or corrupt activities of any kind:

- **Corruption:**
  - ⊕ No staff member should directly or indirectly be involved in corruption or illegal activities of any kind;

- + No staff member should directly or indirectly be involved in embezzlement, money-laundering or theft of any sort;
- + It is strictly forbidden to accept cash/tips whatever is the value.
- + It is strictly forbidden to accept a gift or service if there is any suggestion that a return favor is expected or implied and whatever is the value
- + It is strictly forbidden to accept a gift or service if the value is above NGN100,000.00
- + Staff may accept symbolic gifts from client only if the gift falls under the strict law of hospitality applicable to the given circumstance (example: glass of water, traditional gift in a village that it would be rude to refuse, Christmas hampers) and if the value is below NGN100,000.00. In such cases, please refer to next section on how to declare gifts received.

> **Fraud:**

- + Fraud occurs when an intentional act is done by one or several individuals (internal or external at Advans La Fayette MFB) to obtain unfair or illegal advantage. In other words, fraud is about disobeying the rules put in place by Advans La Fayette MFB to obtain undeserved gain.
- + There is zero tolerance to fraud within Advans La Fayette MFB. Advans La Fayette MFB staff commits to acting in the most honorable and honest manner. Likewise, they should never take advantage of their position to procure funds from either clients or the company.
- + In addition, staff should give reliable and accurate information (without over financing business or overvaluing clients' collateral) when establishing financial records or providing information to the Company on external parties, especially when dealing with client loan applications.

> **Use of company equipment, name, time and assets:** Staff should protect the Company's resources and ensure their efficient use at all times:

- + all Company assets and equipment should be used only for legitimate business purposes;
- + staff commit to respecting and using equipment in an appropriate and efficient manner;
- + all staff members should dedicate their working hours to the operations of the Company; and the Company's time should not be used in personal interest or in the interests of any other parties.
- + staff should not take advantage of the company name/brand to gain advantage or special privileges during or outside working hours.

> **Privacy and confidentiality of company information:** Staff members should keep legal, financial and operational information on the Company confidential to protect the reputation of the company and safeguard information on clients, unless otherwise informed:

- + staff should ask for permission before disclosing company information to third parties;
- + outside of the premises or official meetings of the company, staff must not discuss confidential company topics;

- staff should not create any kind of platform of discussion about the company and its staff without formal acceptance from the company and strict monitoring;
- staff should however show full and transparent cooperation during internal or external enquiries, investigations or audit missions.

## 1.2 Respect for clients

By the nature of its activities, Advans La Fayette MFB is obliged to ensure that it securely and responsibly manages the money of third parties, clients who may also be vulnerable; it is therefore primordial that Advans La Fayette MFB staff members act in a responsible manner. Each staff member commits to treating clients with the utmost care and respect, and to providing an excellent customer service. Staff should in no way abuse the trust that they have gained from clients.

- **Access for all:** Advans La Fayette MFB services are open to everyone; staff should therefore offer services to clients without discrimination of any kind (with regards to (but not limited to) age, disability, gender, marital status, race or ethnicity, religion or belief, political opinion, sexual orientation).
- **Respecting and explaining clients' rights:** staff should clearly explain to clients, in a language and manner that they understand, the rights and responsibilities attached to the product in question and to their relationship with the institution.
- **Giving correct and transparent information at all times:** staff should provide full information on the terms, costs, and conditions of all products to clients so that they can make an informed choice.
- **Responsible marketing:** staff should safeguard that all information given in marketing and prospecting activities is a truthful representation of the services and products on offer.
- **Inform clients about the risk of over indebtedness:** staff have the responsibility of explaining to clients the engagement involved in taking out a loan and giving impartial and accurate advice to clients in all loan applications.
- **Non-harassment:** staff should not engage in either sexual or moral harassment of any kind when dealing with clients, and should never use abusive language, physical force, limit physical freedom, shout at clients or enter their homes uninvited, when either selling or distributing products or during collection of loan repayments.
- **Privacy of client's data:** staff should not violate the client's right to privacy and ensure that clients are fully aware of the company's privacy policy and should not disclose any information on clients to third parties, unless they have obtained express permission from the client and management beforehand.
- **Ensure clients are aware of their right to complain:** staff should make sure that clients are aware that they are free to express any dissatisfaction they may have with the Company's services, and that they are familiar with the mechanisms available to this effect.

## 1.3 Respect for staff members

Advans La Fayette MFB is committed to providing a safe, healthy and respectful workplace for its employees. Each staff member commits to respecting, protecting and valuing their co-workers, and to working together to make Advans La Fayette MFB a pleasant and friendly working environment. This means acting honestly and treating each other fairly. Advans La Fayette MFB expects its employees to conduct themselves in a professional manner at all times. In order to ensure these conditions are applied, there is a disciplinary procedure in case of violation.

- ⊕ **Privacy:** Advans La Fayette MFB respects the privacy of all its employees. Personal data must be handled responsibly. Staff members who handle personal data must:
  - Collect, use and process this information only for professional use;
  - Limit access to the information to those who have a legitimate purpose for seeing it;
  - Prevent unauthorized disclosure.
- ⊕ **Equal treatment of others:** Advans La Fayette MFB fosters a climate of mutual respect and tolerance. Staff members shall demonstrate respect for others without discrimination of any kind (with regards to (but not limited to) age, disability, gender, marital status, race or ethnicity, religion or belief, political opinion, sexual orientation).
- ⊕ **Courtesy:** Advans La Fayette MFB aims to create a pleasant working environment. Staff members shall aim to show mutual kindness and work together in harmony.
- ⊕ **Bullying/Harassment:** Advans La Fayette MFB prohibits acts of harassment, including harassment based on discrimination of any kind or any other conduct prohibited by law. Staff should not insult, threaten, put down or intimidate other members of staff. No staff member should abuse their authority to force staff into any acts of misconduct or put staff under unreasonable pressure or difficult working conditions. Staff are encouraged to work together as a team to prevent such acts. If an employee is found to have engaged in acts of harassment, they will be promptly disciplined.
- ⊕ **Sexual harassment:** Members of staff must not engage in sexual harassment, or conduct themselves in a way that could be interpreted as such. Behaviour or language of a sexual nature that is embarrassing or offensive to the individuals exposed to them or that create a hostile or intimidating work environment are strictly prohibited. If an employee is found to have engaged in acts of sexual harassment of any kind, they will be promptly disciplined.
- ⊕ **Safe conduct:** Drugs, weapons or any kind of illegal substances are strictly banned from the workplace. No staff member should be under the influence of drugs or alcohol during working hours. Staff should drink responsibly during events organised by the company.
- ⊕ **Management obligations:** Management agrees to abide by the Code of Ethics and treat staff fairly with respect to:
  - **Equal opportunities:** Advans La Fayette MFB promotes equal opportunities for employment and career development, without discrimination of any kind.

- **Communication:** Advans La Fayette MFB facilitates and promotes internal communication and transparent management; encouraging the sharing of information, dialogue and innovation, and creating a pleasant working environment.
- **Staff development:** Advans La Fayette MFB invests in capacity building actions for its staff throughout their careers and commits to fairly assessing staff competencies and performance. Advans La Fayette MFB share the same guiding principles with regards to their commitment towards staff.
- **Impartiality:** Advans La Fayette MFB guarantees neutrality and impartiality in all workplace decision making. Should conflicts or other problems arise, Advans La Fayette MFB will ensure that impartiality is respected and that the positions of all involved are acknowledged with equal consideration.
- **Employment conditions:** Advans La Fayette MFB employment conditions are compliant with extant legal requirements and ethical standards.
- **Promotion of health:** Advans La Fayette MFB complies with rules and regulations pertaining to health at work and puts in place free minimal access to medical care and services for employees. If any health issues linked to activities are identified, Advans La Fayette MFB will adopt appropriate measures to protect staff and raise awareness.
- **Safety at work:** Advans La Fayette MFB complies with rules and regulations pertaining to safety in the work place. If any security or safety issues linked to activities are identified, Advans La Fayette MFB will adopt appropriate measures to protect staff and raise awareness.

## 1.4 Respect for the Community and the Environment

Each Advans La Fayette MFB staff member commits to respecting the environment and the community and to making a conscious effort to ensure that Advans La Fayette MFB activities have a positive impact.

- ⊕ Minimizing the effect of our activities: Advans La Fayette MFB aims to limit its impact on the environment and raise awareness on environmental concerns:
  - staff should endeavour to use resources responsibly and in line with company's policy, especially where consumption of energy and materials are concerned;
  - staff should look to raise awareness internally and externally on the importance of protecting the environment and where possible suggest areas for improvement.
- ⊕ Help the community: Advans La Fayette MFB aims to encourage both economic and social development and should therefore endeavor to have a positive influence on the communities in which it operates
  - staff should participate in or contribute to Advans La Fayette MFB' social initiatives in the community during company events;
  - staff should help to raise awareness of social issues within the community.



## 1.5 Taking Responsibility

Each Advans La Fayette MFB staff member is held accountable for their actions and areas of responsibility and authority.

Advans La Fayette MFB' staff members are to perform the functions of their job properly by completing the tasks they are assigned, carrying out the duties required by their job, and being present during regular working hours.

- ⊕ Each staff member must take responsibility for his/her actions and decisions
- ⊕ Staff must follow reporting lines and hierarchies and not exceed the authority of their position
- ⊕ Staff must comply with the Code of Ethics
- ⊕ Staff are liable for any breach of the Code
- ⊕ Any breach of the Code, laws, rules and regulations may lead to sanctions for violations. Violations of the Code of Ethics may result in disciplinary action in line with the disciplinary process below and the HR policy in place.

## 2. Raising concerns

Each Advans La Fayette MFB staff member is aware that any concerns they have on violations of the present Code can be communicated in a confidential manner.

- ⊕ **Reporting an issue:** Advans La Fayette MFB staff can confidentially disclose any suspicions of employee misconduct towards clients and other members of staff, and any actions which employees perceive to be going against the present code. If staff are concerned by the issues above, they can confidentially disclose the information using the following email addresses: [ethicsconcern@advans-lfmb.com](mailto:ethicsconcern@advans-lfmb.com) for (potential) fraud / corruption while [respect@advans-Lfmb.com](mailto:respect@advans-Lfmb.com) for Harassment / internal conflict.
- ⊕ **Employee confidentiality rights:** Advans La Fayette MFB staff can disclose any concerns they have with regards to their own conduct or other staff's conduct to HR, Management or the Audit Department; the information will be treated in a confidential manner.
- ⊕ **In case of Violation:** If violation is established, appropriate sanctions will be taken in compliance with relevant regulations and Advans La Fayette MFB's HR policy.

## 3. Review of the Code

This Code shall be reviewed every 3 years or when Advans group shall amend the group normative documents.

## 4. Applicability of the Code

This Code is for every Advans La Fayette MFB's staff member, Directors and external stakeholders.

- ⊕ If staff have any questions on the Code, they can send an email to: [ethicsconcern@advans-lfmb.com](mailto:ethicsconcern@advans-lfmb.com)

## Declaration

I, ..... have read, understand and agree to abide by the Code of Ethics.

**Date of Employment:**

.....

**Position:**

.....

**Location or Branch:**

.....

**Signature & Date:**

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