

The Chairman

Beirut, May 7th, 2015

Statement of continued support

To our stakeholders:

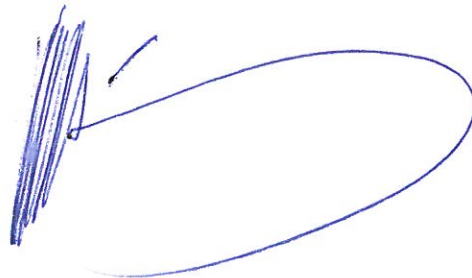
I am pleased to confirm that BLCbank reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Maurice Sehnaoui

Chairman General Manager



COP BLC Bank

Human Rights Principles

Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2 – Businesses should make sure they are not complicit in human rights abuses.

Assessment, Policy & Goals

BLC bank has a set of policies that relate to human rights. The respect of human rights is embedded in the way we conduct business. BLC bank has explicit policies that protect the human rights of workers in its direct employment (Code of conduct, Grievance Mechanism, Whistle blowing Policy, NPS) and through its supply chain (Credit & Procurement Policies).

Implementation

The code of conduct, which mainly tackles ethics & compliance issue, is delivered to all employees upon joining the bank. The Grievance Mechanism, Whistle blowing Policy and NPS give the right to every single employee to communicate to higher management all his/her concerns in a discreet way.

The bank's credit policy includes an exclusions list for those potential clients that do not abide by human rights, such as child labor or non-environment friendly businesses. Besides, the procurement policy does not allow the bank to deal with suppliers that do not abide by human rights.

Measurement of Outcomes

BLC bank makes sure that the above policies are strictly abided by, and there implementation is followed-up by relevant committees (HR Committee, Credit Committee, Purchasing Committee). As a result, we do not note any legal disputes or any fine related to the violation of human rights.

Labor Principles

Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labor.

Principle 5 – Businesses should uphold the effective abolition of child labor.

Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Assessment, Policy & Goals

BLC bank makes sure that it does not involve in activities that: harm or exploit forms of forced labor/harmful child labor; lead to discriminatory practices in respect of employment or practices that prevent employees from exercising their rights of association and collective bargaining.

BLC's policy for recruitment is clear, where the bank fully abides by the Lebanese labor law, which prohibits child labor and employment before the age of 18.

BLC is an equally opportunity employer. Employees are recruited based on their ability to perform the job, skills and capabilities, with no discrimination to gender, religion, race...

BLC bank has signed the UN WEPs and committed to its seven principles.

Implementation

BLC Bank has an active syndicate of 7 members that are elected by the bank employees every three years. The syndicate has open dialogue with the bank's Chairman & General Management in order to discuss employee-related issues and reach a final agreement that is jointly acceptable by the employees and management. Besides, an employee from our bank is a member of the executive board of the bank's syndicate in the country.

On top of the above, BLC bank has a club of 10 members (employees from different groups of the bank) that organize events for the well-being & for entertaining employees. The bank's management has allocated a budget for this club to be spent for employee-related activities.

BLC bank is governed by the Collective Labor Agreement, which is common for all banks in the country. The bank considers this agreement as the minimum benefits that employees are eligible for. All employees have compensated work contracts with the bank and are enrolled in the national social security fund, in addition to other benefits for their well-being (Insurance for the employee and his family; Tuition allowances for the kids...). The bank makes available employment contracts to all employees stating the terms and conditions of service, the voluntary nature of employment, the freedom to leave, including the appropriate procedures and any penalties that may be associated with their departure. The contracts are written in Arabic to be easily understood by all workers.

BLC is also a member of the Association of Banks in Lebanon, where we work together to develop an industry wide approach to address labor-related principles.

Concerning the minimum recruitment age (18 by law), the bank verifies the age of its employees by requesting the civil register certificate.

BLC is an equal opportunity employer. Employees are recruited based on their ability to perform the job, skills and capabilities, with no discrimination to gender, religion, race... Selecting employees is based on an assessment test and multiple interviews after the bank conducts their reference check.

Once recruited, employees have clear job descriptions including their roles and responsibilities. Employees are required to show professional behavior and deliver good-quality work and are appraised on an annual basis based on the quality and quantity of work they have delivered. Compensation and reward, is then based on the appraisal conducted by the employee's supervisor that is subject to open dialogue between both parties. In case of discrimination, there exists a grievance mechanism to protect the employee and provide him with recourse. A special HR Committee, that includes top management representatives, examines the contested evaluations and complaints of employees.

Moreover, employee skills and knowledge are further enhanced by the continuous learning development and trainings offered by the bank.

With regards to discrimination against women, BLC Bank has implemented the We Initiative and signed the UN WEPs (UN Women Empowerment Principles), with aim to provide support to women in the workplace and in the community. Besides, the bank has included a new value "We promote gender equality" to be added to existing ones.

Internally BLC bank targets to have equal representation of genders at upper management by 2020. A set of measures and actions have already been taken: Training to all concerned employees to become more gender sensitive and remove unconscious bias when studying files through an induction program; Procurement policy favoring women suppliers; Creation of the WE Club: a club brought forward by a group of BLC Bank female employees with the aim to organize special gatherings, events and activities for BLC Bank employees with a focus on women-oriented activities, from participating in Women Races, celebrating international women's day to getting special offers for employees; Nursing schedule for mothers returning from their maternity leave (2 months of part-time schedule with full pay).

In the community, BLC bank run several trainings and road shows both in rural and urban areas to support women workers and entrepreneurs in different economic sectors. BLC bank also created the Brilliant Lebanese Awards, an innovation by BLC bank, to acknowledge the achievements of entrepreneurs in Lebanon with a special category "Woman Entrepreneur of the Year" since 2012.

Finally, BLC bank is the first institution in Lebanon to implement a full Emergency Response Plan to better ensure the health and safety of all its employees in the workplace involving the creation of wardens with first aid rescue training and security policies.

Measurement of Outcomes

We at BLC Bank, in addition to the benefits specified in the Collective Labor Agreement, provide our employees over and above these limits in the health care with coverage for 1st class insurance to not only the eligible employee but all his family too, where 1770 employees and their families benefit

currently from insurance coverage. On the tuition allowance for employees' children side, we do provide an additional 12.5% on the set amount, where 674 child benefited in 2014 from tuition allowances. In addition, the bank offers preferential rates on all creditor & debtor accounts to its employees.

Besides, the bank has delivered 121 training topics in 2014 (a total of 8,694 hours for 2,387 attendees), varying between internal external or abroad sessions and is committed to developing its employees competencies & skills with continuous trainings under 4 categories "Auditing, Finance & Banking Operations", "Information Technology", "Leadership & Management" and "Marketing, Products & Sales".

Finally, on the women empowerment side and as a result of the implementation of the We Initiative, women presence increased from 47% to 51% (in terms of staff) since the launch of the program and women in upper management reached 43%. Moreover, 77% women attended leadership trainings since the start of the program (2012 – 2014).

Environmental Principles

Principle 7 – Businesses should support a precautionary approach to environmental challenges.

Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility

Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies.

Assessment, Policy & Goals

BLC bank developed a public Corporate Environmental Policy and a code of conduct for its operations that confirm commitment to care for health and environment and added a value to the existing ones: "We are responsible Corporate Citizens"

BLC bank also included green preferences in its Procurement Policy and in its Corporate Lending Policy in order to have a bigger environmental impact on all the stakeholders.

BLC bank supports Green initiatives and NGOs that contribute to sustainable development and protection of the environment.

Implementation

To implement this green policy BLC bank adopted the 3 R's approach: Reduce (reduce un-necessary consumption), Reuse (reuse material instead of throwing it away), Recycle (sort and recycle) and added

a 4th one: Rethink (our procedures and actions). This approach was adopted in 4 fields: paper, energy, water, waste and pollution.

As a result, BLC bank headquarters was the first operational building in Lebanon with the ARZ green certification. It is the result of the collaboration between BLC bank and IFC (International Finance Corporation) and LGBC.

BLC bank encourages the development and diffusion of environmentally friendly technologies whenever it is possible. A paperless project was implemented to reduce paper consumption: Implementation of electronic pay slips for employees, Reports and communication online, printing of customer statements on demand, generalization of double-sided printing and photocopying practices.

BLC bank is committed to develop and encourage more environmentally friendly products that can have long-term benefit: personal (Solar water heater loan; Energy loan...) and Business eco-friendly loans (Green Kafalat loan, Business energy loans...)

Measurement of Outcomes

18 % of total Electricity Bill saved i.e. 80 Tons of CO2 emissions per year.

900,000 Liters of water per year saved

30% savings on paper

Waste production reduced and better managed (80% recycled)

2000 trees planted with Jouzour Lubnan in 2014 involving employees in plantation days

Anticorruption Principle

Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, Policy & Goals

Effective Corporate Governance is an essential part of the bank's identity. It relates mainly to the internal means by which the bank is operated and controlled. The bank's Corporate Governance guidelines/code, together with the Bank's By-Laws and the Charters of the Board Committees are key elements of the structure by which our Bank is governed. The Code of Compliance and Ethics provides the framework for maintaining the highest standards of professional conduct among all employees, management and directors.

This bank's corporate governance is designated to reinforce the confidence of the stakeholders by optimizing the system by which the Bank is directed and controlled, the overall risk management practices, the reporting transparency and the quality of cooperation between Shareholders, Board of Directors and Management of the Bank.

Implementation

BLC Bank conducts continuous trainings and awareness sessions for its employees to train them on fighting all forms of corruption. Besides, the bank's management is very strict in when it comes to fighting fraud and corruption.

Special controls are set to fight money laundering and anti-money laundering procedures, trainings, guidelines and audits are set and performed to protect the bank and all its stakeholders.

Measurement of Outcomes

222 employees received in 2014 the Anti-Money laundering full training
