



COMMUNICATION ON PROGRESS REPORT

2019

TABLE OF CONTENTS

	About Banque BEMO	4
	Statement of Chairman of the Board and Vice-Chairman & General Manager	10
	Human Rights	14
	a. Corporate Governance	
	b. Deontology & Ethics	
	c. Human Capital	
	d. Safe, Healthy & Happy Environment	
	Labor	30
	a. Recruitment & On-boarding	
	b. Learning & Development	
	c. Employment Engagement & Satisfaction	
	d. Employee Volunteerism	
	Environment	40
	a. Carbon Footprint	
	b. Green Loans	
	c. Reforestation Initiative	
	d. Paperless Environment	
	e. Recycling	
	Anti-Corruption	46
	a. Anti-Bribery & Corruption	
	b. Whistle Blowing	
	c. Training & Awareness	
	CSR Activities Breakdown	52

COMMUNICATION ON PROGRESS REPORT



ABOUT BANQUE BEMO



ABOUT BANQUE BEMO



Banque BEMO is a commercial bank whose services and activities cover both the Lebanese and regional markets.

True to its long history and culture of prudence and conservative approach to serving its clients, the Bank remains focused on its core expertise, namely Private and Corporate Banking while aiming to build strong relationships, based on trust, with its selected clients.

The Bank is known for its competency in delivering high quality services and products, and for its customer centricity orientation. Products and services target large corporations and high net worth individuals.

Faithful to its tradition of investing efforts first and foremost in its clients' trust, Banque BEMO committed to abide by the following four principles, which represent the source of past achievements and the foundation on which to plan future development:

- Commitment to Customer Centricity: whereby the client is considered as a core asset, around whom the Bank build its endeavors, and where each decision is weighed on how to improve client satisfaction

- Commitment to providing an exclusive experience to clients: through attention to detail and anticipation of needs, Banque BEMO strives to understand stakeholders' perspective and ensure that they get more than their fair share of expectation
- Commitment to develop expertise/knowledge/proficiency: based on the existing broad offering of financial services, through the Bank and its sister entities, Banque BEMO recognizes this as a core competency and is committed to grow skills and remain proficient in the latest banking techniques
- Commitment to Transparency: In line with the Group's motto "Business With Ethics", Banque BEMO recognizes that transparency fosters discipline and strengthens the processes. Therefore, the Bank commits to transparency with its stakeholders and earn their trust.

Banque BEMO has joined the United Nations Global Compact (UNGC) as a signatory member and has therefore pledged to show progress on the following Sustainable Development Goals: Good Health & Well Being (SDG 3) and Quality Education (SDG 4), Decent Work & Economic Growth (SDG 8), Climate Action (SDG 13).

In addition, in April 2019, Banque BEMO has renewed its membership as signatory for the Investors for Governance & Integrity (IGI) Declaration.

ABOUT BANQUE BEMO



Vision

"To be the reference in Private and Corporate Banking"

Mission Statement

"Live our values while achieving high return on equity and offering our customers outstanding quality"

Values

*Family spirit
Professionalism
Conservatism
Honesty*

Positioning Statement

"Consolidating traditional values with a contemporary approach; offering services that are personal in delivery and global in scope."

CSR Vision

"To understand the current and future implications of its actions by focusing on the economic, social and environmental impacts of its business and developing sustainable practices to meet the needs of present and future generations."

CSR Mission Statement

"We aim to move toward a higher CSR maturity level by fostering a strong sense of corporate responsibility and creating value to the business and the society."

COMMUNICATION ON PROGRESS REPORT



**STATEMENT OF
CHAIRMAN OF THE
BOARD AND
VICE-CHAIRMAN
& GENERAL MANAGER**



STATEMENT OF CHAIRMAN OF THE BOARD AND VICE-CHAIRMAN & GENERAL MANAGER



Dr. Riad B. Obegi
Chairman of the Board



Mr. Samih H. Saadeh
Vice-Chairman & General Manager

Dear Stakeholders,

We are pleased to confirm that Banque BEMO reaffirms its continued support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

We are proudly sharing our second Communication on Progress report whereby we are demonstrating our aspirations as well as the progress made in the areas of Environmental, Social and Governance; and the actions taken to integrate the Global Compact and its principles into our strategy, culture and operations.

We are committed to continuously improving the practices adopted in relation to our engagement with our communities, shareholders, partners, workforce and clients. This is also derived from the Board of Directors' particular awareness on the importance of developing the communities and the significance of preserving the natural resources and healthy surroundings.

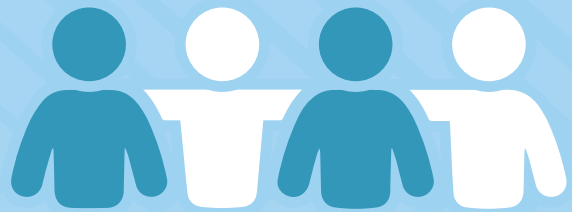
We are also committed to share this report with all stakeholders on the Bank's digital channels and its website under the Sustainability and Corporate Responsibility section.

Yours Sincerely,

Dr. Riad B. Obegi
Chairman of the Board

Mr. Samih H. Saadeh
Vice-Chairman & General Manager

COMMUNICATION ON PROGRESS REPORT



Human Rights



HUMAN RIGHTS



a. Corporate Governance:

As the banking sector remains at a stage full of substantial changes that carry considerable challenges and, possibly, opportunities arising from the circumstances that the country is going through, the Board of Directors (the Board) at Banque BEMO s.a.l. (the Bank) remained persistently determined to safeguard and enhance long-term shareholder value. Accordingly, the Board has set a goals-specifying strategy and a governance framework which defines responsibilities and accountabilities that are consistent with the prevailing situation, as well as the Bank's culture, values, priorities, and stakeholders' expectations.

Culture and Commitment

The Bank has always emphasized the interests of all the stakeholders through promoting a culture based on trust and transparency, while abiding by good governance practices in conformity with the regulatory requirements. In turn, the Board of Directors ensures that the Bank performance is consistently reviewed; risk is recurrently assessed; strategic challenges and objectives are regularly reconsidered; and the relationship with shareholders and other stakeholders are often enhanced and developed.

Thus, the Board has committed to working on issues that are material to Banque BEMO's vision, mission and values. In that respect, the Board remains continuously focused on the consideration of the Bank's priorities.

Board Strategy and Objectives

Clients' satisfaction has rather been a major powerful force that urges the Board to set the strategy which main aim is to attract and retain those individual clients and institutions who wish to partner with the Bank, while preserving the Bank's reputation, goodwill and ability to build trust. Consequently, the Management, in turn, upholds the Board's objectives and addresses the evolving views of both the Board and the stakeholders through aligning between strategy, expectations and performance. Accordingly, reports are regularly submitted to the Board, in that respect, in order to keep the Directors updated on the corresponding progress in line with the various anticipations, thus, supporting the Board's strategic guidelines.

Investor Relations

Inspired by the Bank's slogan, Relationships are Built, Trust is Earned, the Board aimed at developing positive engagement with the Bank's shareholders. The Chairman was keen to promote effective and constructive investor relations in order to further engage shareholders in exercising their voting rights, primarily, with regard to monitoring the performance of the Board of Directors, who in turn, aims at creating sustainable investor value. The Board, on the other hand, remains accountable to shareholders for ensuring that the Bank is being properly managed and its strategic goals are achieved.

HUMAN RIGHTS



Environmental Social Governance

Guided by the Bank's values in order to achieve the Bank's vision, "To Be the Reference in Private and Corporate Banking", the Board emphasizes the required persistence, resilience and wisdom as the Management has to consider not only the financial aspects of the business, but also the social and environmental features. For this reason, the Board necessitates engaging with stakeholders to improve their environmental and social influence where and when possible through accentuating community issues and needs. This is also derived from the Board's particular awareness of the importance of contributing in developing the community and the significance of being an environment-friendly institution that helps preserve the natural resources and the healthy surroundings.

b. Deontology & Ethics

Deontology and Ethics are the major foundations of Banque BEMO's principles and guidelines, whereby all business activities are conducted in an honest, legal and ethical manner, providing state-of-the-art services to all stakeholders, preserving their interests and achieving the Bank's vision and quest for excellence. Moral obligations, duties, and right actions are the main pillars for Banque BEMO's operating environment, and the Bank's Code of Deontology is the driving force for all employees who follow high standards of conduct at all times. Hence, the

Bank's "Code of Deontology and Professional Ethics" is updated on an annual basis and published on the Bank Internal Communication Site accessible to all employees who are required to read and sign the document upon every update. In addition, Banque BEMO's employees share a responsibility to protect the Bank's reputation for integrity by always demonstrating their commitment to the highest standards of ethics and professional behavior when dealing with colleagues, clients, shareholders and the community. Therefore, Banque BEMO's Code of Conduct's objective is to state the requirements for best business practices and professional conduct. The Code of Conduct is updated on an annual basis and published on the bank's Internal Communication Site and is available to all employees who are required to read and sign the document upon every update.

Furthermore, Banque BEMO has always taken pride of its ethical approach to business. The ethical approach of all matters, whether important or small, is embedded in the Bank's culture.

Therefore, as part of the Obegi Group's motto "Doing business with ethics" and to further promote ethics in the front line, the name of the Board Audit Committee was changed to "Board Audit and Ethics Committee"; and an Ethics Ambassador has been appointed at Banque BEMO.

HUMAN RIGHTS



The main responsibilities of the Ethics Ambassador is to raise awareness through regular trainings/workshops/awareness campaigns and to enhance employee knowledge, acceptance and implementation of the ethics program and the values of the organization. As such, the role is to be a point of contact for employees and management in all matters related to ethics.

The Ethics Ambassador will also facilitate conversations on ethics and identify ways to solve ethical issues when they arise in an absolute confidentiality; as well as responsible for the follow-up on all ethical matters brought and assist in investigations if needed.

On the other hand, within the scope of business ethics and clients protection, the Bank's Complaints Management policy provides guidance on the effective and efficient complaints handling process while aiming to ensure client satisfaction, maintaining loyalty, encouraging clients' feedback and recognizing their rights to make a complaint, and resolving in an equitable, objective and impartial manner. Therefore, complaints are subject to a Quality Circle held on a quarterly basis in order to share the lessons learned and identify the areas of improvement.

On the other hand, Banque BEMO put at the disposal of all clients the list of rights and duties governing their relationship with the Bank, as well as the responsibilities of the Bank in serving them fairly. The collection of clients' signatures on the "Rights & Duties" showed an effective **95%** as at 31.07.2019.

As the Bank's aim is to be the reference in Private and Corporate Banking, this vision and ambition is achieved through a commitment to deliver outstanding quality in the offered products, services and clients relationship management. For this purpose, the Quality Management exerts needed efforts to maintain high quality standards across its products, services and operations, as well as streamline and improve the processes in order to reach a better customer experience. However, quality cannot be measured from one angle only. Consequently, the Bank's "Voice of the Client" program aims to see the Bank through the eyes of its clients. All opinions voiced are analyzed by the Quality Management in order to meet clients expectations and optimize their satisfaction.

HUMAN RIGHTS



c. Human Capital

HRM Vision

“To become the **EMPLOYER** of choice for **EMPLOYEES**, the **CLIENTS** want to work with”

HRM Mission

“**Optimizing** the Bank results through Clients Satisfaction

Enhancing existing and creating new HR processes

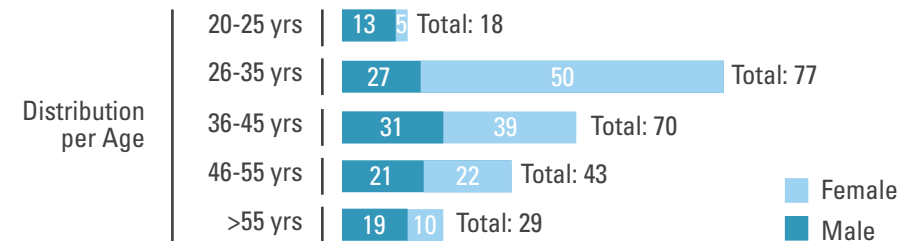
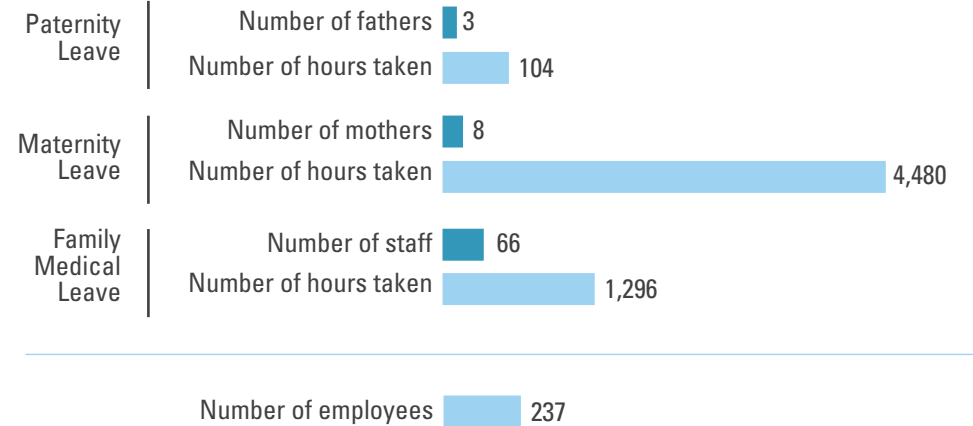
Providing an engaging work and culture of development and growth”

HRM Principles

“Equity
Dignity
Fairness
Credibility
Transparency
Confidentiality”

The Human Resources Management (HRM) plays an important role to create a balance between promoting the Bank culture of ethical standards, maintaining the professionalism of the employees while being well prepared to embrace industry challenges and future orientations, as well as preserving their well-being in a healthy environment.

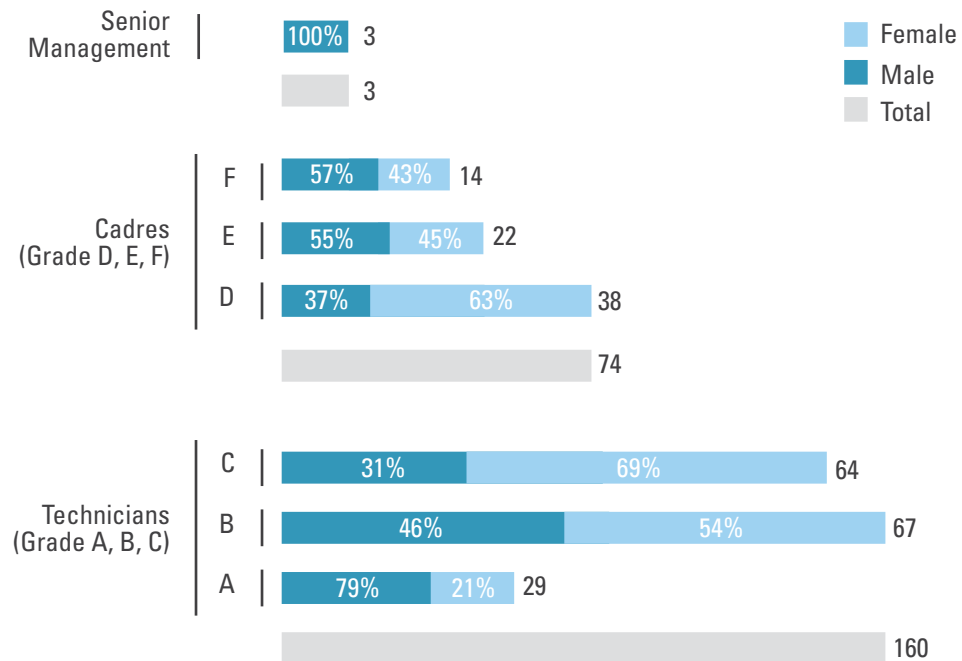
In that respect, the Human Resources team focused their activities during the reported period around two main axes: Working environment and professionalism, as well as Agility and being prepared for the future.



HUMAN RIGHTS



Distribution per Corporate Title



Grade specifications from "A" to "F" follow the grading structure of Association of Banks in Lebanon as per Collective Labor Agreement.

D. Safe, Healthy & Happy Environment

Safe Environment

The HRM organized three sessions of "First Aid" training in collaboration with the Lebanese Red Cross, dedicated to the 36 assigned fire marshals of the Bank. The main purpose of the training was to complement the knowledge of concerned employees on essential and initial steps to take during an emergency, therefore several topics were covered such as but not limited to treatment of unconsciousness, choking, artificial respiration/CPR, bleeding, burns and others, noting that theoretical information were supported by practical exercises. Our fire marshals were certified as First Aiders ready to ensure a safe environment if and whenever a need arises.



Healthy Environment

- As we do believe in the importance of health and well-being of our employees, the HRM and appointed Chief of Happiness jointly organized several group awareness sessions on Physical Health in the workplace were organized and conducted by a physiotherapist in order to provide the employees with the

HUMAN RIGHTS



best practices of a healthy posture while at or outside the work. **48** participants attended the session, representing 20% of the bank's total workforce.



Happy Environment

- The Chief of Happiness launched “In the Shoes of” initiative. This initiative was based on a set of arrangements to exchange job positions between Banque BEMO’s employees and their respective managers, for one full day. Participants were selected based on a drawing lot initiated by each manager and **17** job positions were switched where the person acting for a certain position had the chance to replace his/her manager and act under his/her guidance. This program proved to be beneficial on many levels, enhancing the interaction and understanding between all parties, having a clearer idea about others’ responsibilities, tasks and obstacles leading to an increased appreciation of each other’s work.



- Banque BEMO’s Chief of Happiness in collaboration with the Communication Department organized the “BEMO’s Got Talent” staff exhibition whereby employees and their children exhibited paintings, handcrafts, as well as homemade pastries, cakes, crepes, drinks and music. The opening ceremony was inaugurated by the Chairman of the Board and the Vice-Chairman and General Manager as well as all employees who enjoyed the event in a relaxed and fun atmosphere, further highlighting one of the Bank’s core values: Family Spirit.



HUMAN RIGHTS



- Banque BEMO's Chief of Happiness in collaboration with the Communication Department organized an "Egg Hunt" event whereby employees shared games, food and drinks with a nice music ambiance. The Bank's Vice-Chairman and General Manager attended the event and participated in the celebration with the winning group, further highlighting one of the Bank's core values: Family Spirit.



- The newly appointed Chief of Happiness has introduced several new practices in collaboration with the Human Resources Management (HRM), namely for mothers and fathers to benefit from an early leave on Mothers' Day and Fathers' Day. Moreover, all employees benefit from an early leave on their birthday.



Mother's Day early leave:
120 employees

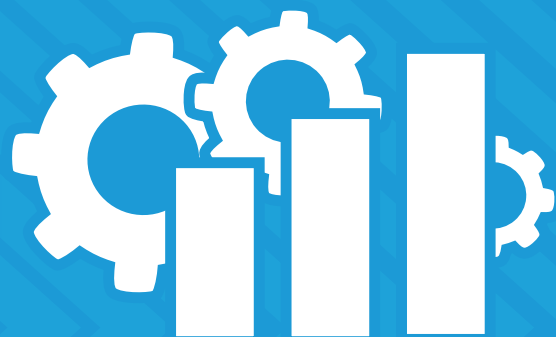


Fathers' Day early leave:
51 employees



Birthdays early leave:
169 employees

COMMUNICATION ON PROGRESS REPORT



Labor



LABOR



a. Recruitment & On-Boarding

During 2018, we looked at attracting and hiring talented employees who fit the bank orientation and the future directions. Our selection took into consideration those who have the creativity and ability to make a difference in the digitally and rapidly changing environment.

Our doors were open to a large number of potential candidates who applied through our Bank website or LinkedIn page.

Successful candidates were hired and joined our one year induction program that ensures a proper integration of new recruits in the work environment.

b. Learning & Development

The Learning and Development unit used different learning methods this year to support its people personal and professional development. It provided technical and soft skills trainings through indoor, outdoor and abroad sessions as well as BEMO E-learning solution. Subjects covered were diversified and aligned with the employees need based on the gap analysis related to the competencies required.

On another hand, HR Management emphasizes on regulatory requirements, and invests in the employees developments in this area, enabling the Bank to remain compliant with local and international authorities' recommendations.

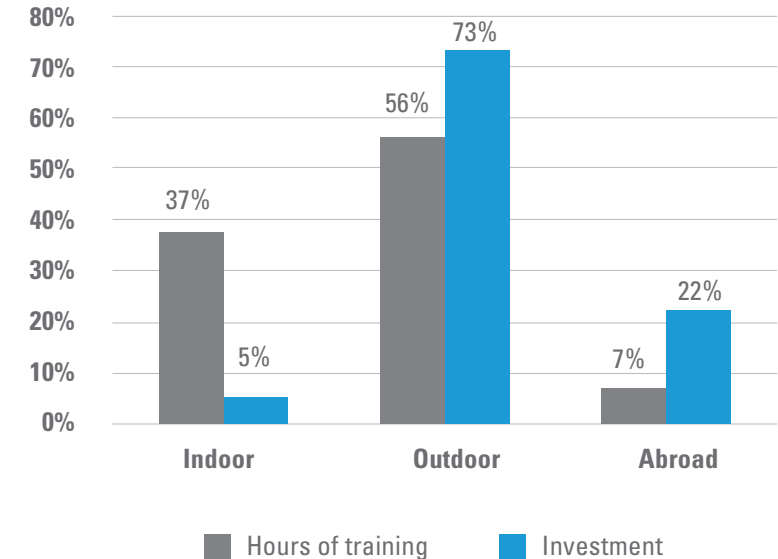
- The Job Rotation program is another important tool that HRM continued to apply, and touched the entire workforce. The purpose was to expose employees to different aspects of the banking activities, and understand the impact of their jobs on other departments and vice versa.

The job rotation program helped employees getting to know each other better, removing some existing boundaries, understanding and facilitating the exchange of information between fellow employees.

This program was also extended to new joiners as part of their induction program to help them adapt faster to the job.

The job rotation program is initiated by series of presentations conducted by each business owner to existing and new employees to describe the main activities of each business line and their influence on the overall banking activity.

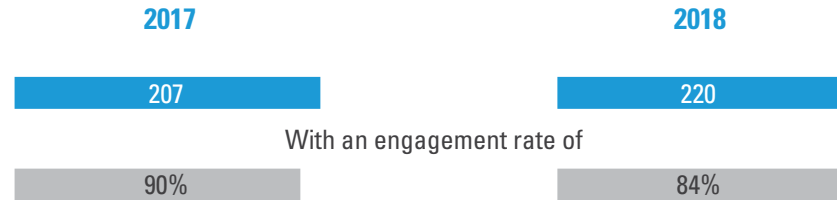
Training Breakdown 2018



LABOR



- BEMO E-Learning took a great part of our learnings being an easy accessible digitalized solution. A personalized plan is assigned to every employee based on work requirements and related competencies, beside other tools such as AML/ CFT and Massive Open Online Course (MOOC) libraries.



■ Number of users

The sessions consist of open discussions, brainstorming and sharing of new ideas in line with the Bank strategic orientation. Participants were encouraged to give their point of views, and new ideas emerged such as transfer of knowledge which was already in the process of being implemented through our E-learning platform. In addition to the personal effort required by every employee to complete his/ her plan for the year, the HR Management department upgraded the platform by introducing a new component the “Transfer Knowledge Community”.

This new digital learning initiative consists of sharing learning acquired by an employee during outdoor trainings with other colleagues who have interest in gaining the same information through an online live session of interaction, questions and answers.

On another hand, the HRM department introduced an in-house tailor made animated video on the Bank induction program within the scope of our Onboarding strategy, including all activities that the new recruit is expected to undertake within his first year on the job.

HRM works continuously on updating its e-learning solution by introducing new tools and creating a brand image for its platform.

- The “Reflective Minds” initiative launched by the HRM department to create opportunities of exposure and ongoing development took place again this year, whereby **35** participants engaged in two debates around the topics of “Thinking Ahead, Imagining Ahead” and “Best Ways to Empower People in the Workplace”. Both debates were facilitated by members of the Senior Management who shared their own experience and ideas for improvement.



LABOR



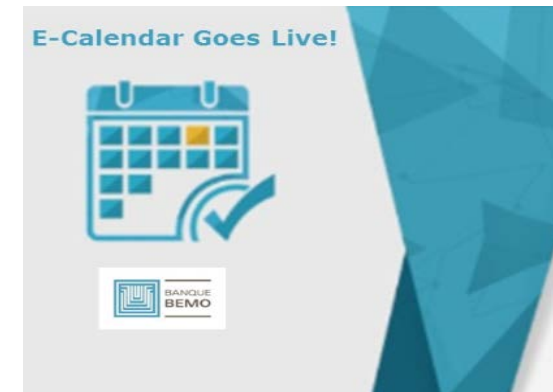
- The Future Generation – Staff Children Coaching program is a continuous program that aims at educating and preparing the children of our employees to face the challenges of the future. This year, **13** young adults were able to assess their strengths and areas of development, as well as identify their opportunities and threats for a structured career choice. Additionally, a gathering was organized in the presence of the Chairman of the Board, Vice Chairman and General Manager and Executive Committee members to celebrate and award the staff children with honor grades in their scholastic year.



- In line with our HRM mission “Providing an engaging work and culture of development and growth”, this year, we enlarged our hosting capacity and provided internship opportunities for **17** students referred by our clients, employees or top universities. Each intern was enrolled in a rotation program across departments followed by a specific project in an area relevant to his studies. This program aims at providing students with a broad insight of banking activities and aids them in assessing their future career decisions. Not to mention that everyone involved in mentoring during the internships period, strived to ensure that all students have an engaging and fruitful experience.

c. Employment Engagement & Satisfaction

- The HRM built on the Employee Engagement and Satisfaction Survey conducted previously that aimed at enhancing the internal working environment in order to better focus on our clients’ service and needs. Accordingly, the HRM took the initiative to follow on the results by forming two focus groups, each responsible to debate and come-up with suggestion of improvement related to one topic out of the two that had the least level of satisfactory ratings. Groups’ action plans and recommendations were discussed at the Executive Committee meeting who carried forward and approved the implementation of two proposed initiatives, namely: the e-calendar which was designed to enhance internal communication across the organization as well as the Thank You program which aimed to create a wider culture of appreciation and recognition.





- Further to the Executive Committee decision in April 2019, the new pioneering initiative of “Telecommuting” has been launched at Banque BEMO. This initiative gives the privilege and flexibility to the employees, depending on their job profile and according to specific eligibility criteria, to work remotely from home, once every two weeks, while having the adequate setup and accesses needed enabling them to perform properly. The Telecommuting aims to promote flexibility and embrace entrepreneurial spirit, develop the sense of responsibility, raise the feeling of belonging and optimize productivity and output of work.
- The new Thank You program launched, aims to instill a positive environment in which employees feel valued for going the extra mile and appreciated for going above and beyond the usual activities to offer exceptional assistance to colleagues within same department or between departments. A dedicated box and special “Thank You” cards were installed in all premises and branches enabling employees to provide instant and spontaneous recognition for exemplary and outstanding achievement. After two months since the initiation of the program, the outcome of the extraction of the “thank you” cards from the respective boxes in all premises and branches was shared during the Annual Gathering whereby colleagues who got the highest number of “thank you” cards were announced by the Vice Chairman and General Manager.

d. Employee Volunteerism

The volunteerism initiative is an important element of the Corporate Social Responsibility framework and further fosters Banque BEMO as a socially responsible business.

The implementation of the Employee Volunteerism Program is based on a survey conducted last year targeting all employees about their humanitarian interests and community involvement.

22 employees have volunteered for different causes, namely: health, music and social, for a total of **79** hours.

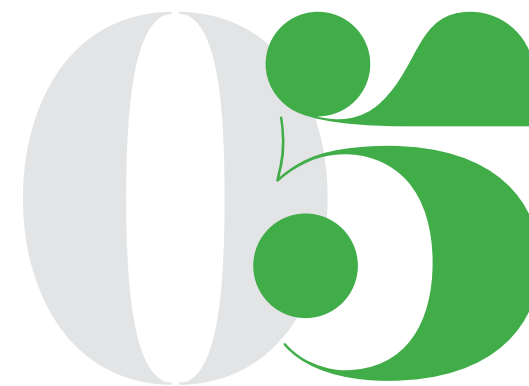
The volunteerism initiated in support of the Children Cancer Center Lebanon (CCCL) was marked by the surprise visit and active participation of the Bank's Vice-Chairman & General Manager who inspired the proud volunteers and motivated others to enroll in this program.



COMMUNICATION ON PROGRESS REPORT



Environment



ENVIRONMENT



a. Carbon Footprint Management

As part of its commitment to United Nations Global Compact (UNGC) Goal 13, and to improve its resilience towards climate change, Banque BEMO conducted a Greenhouse Gas audit using an online certified tool with the “Built on GHG Protocol” mark and ISO 14064-1. Compared to 2016, the 2017 GHG report included extra sources and covered all the bank’s facilities in Lebanon; It covered the bank’s direct GHG emissions from its operation, Scope 1 (i.e. locally produced electricity, lubricant oils, owned fleet vehicles, refrigerant gases); as well as its indirect emissions, Scope 2 (i.e. purchased electricity from local authorities (EDL) and from shared generators) and Scope 3 (i.e. paper consumption, flight trips); which are related to the bank’s operation. The total GHG emissions were expressed in tCO2e, in tCO2e/m2 and in tCO2e/employee.

In 2017, Banque BEMO’s total GHG was equal to 1,578.7 tCO2e, equivalent to 0.2 tCO2e/m2 and 6.7 tCO2e/employee. Scope 2, (purchased electricity) was the main contributor in the bank’s total GHG emissions accounting for 70.4%, while Scope 1 (direct emissions) and Scope 3 were responsible of 25.5% and 4.1%, respectively. Figure 1 shows the sources’ contribution in the total GHG emissions in 2017.

To recognize its efforts in computing its GHG emissions Banque BEMO obtained a Certificate of Acknowledgment from the Lebanese Ministry of Environment. Due to the completeness of the 2017 GHG audit, it was agreed that the above

results will be used as the bank’s GHG baseline and will be used for future reduction strategies.

The bank commits to continue monitoring its GHG emissions, also to engage all departments in setting adequate mitigation actions, and its employees/ stakeholders in the Bank’s climate resilience strategy.

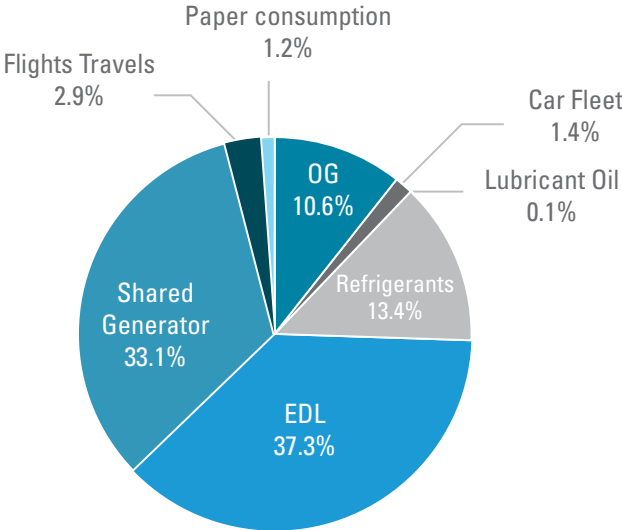


Figure 1. Contribution of the different sources in the total GHG of Banque BEMO

ENVIRONMENT



b. Green Loans

Green Loans, subsidized by the Central Bank of Lebanon, were granted for the amount of **7,966,000** aiming at financing the green part related to a mixed use building, comprising of retail/commercial area offices and apartments as well as financing the Green Headquarters of a large Corporation.

c. Reforestation Initiative

Banque BEMO has inaugurated the BEMO Cedar Forest on the occasion of its 25th Anniversary whereby a challenging reforestation initiative was launched in partnership with Jouzour Loubnan on a 24,000 sqm mountainous arid land. The **625** cedar trees were adopted on behalf of the Bank's clients. This initiative further fosters Banque BEMO as a corporate responsible organization, committed to the protection of the environment as one of its core Sustainable Development Goals.

**Jouzour Loubnan is a reforestation organization that mainly plants in arid mountainous regions.*

d. Paperless Environment

Banque BEMO maintained its commitment for a paperless environment and showed progress by reducing the number of printed papers as follows:



■ End of Day reports ■ Annual Report ■ E-statement ■ Newsletter

579,430
papers saved

e. Recycling

Banque BEMO has signed a memorandum of understanding with arcenciel, a Lebanese NGO whose main goal is to work with every person in need by generating profit while preserving natural resources. Hence, Banque BEMO has partnered up with arcenciel for its recycling program consisting in recycling plastic, paper and metal in all of its premises. The full program will be launched in August 2019.

12.20
tons

In the reported period, 12.20 Tons of paper have been recycled.



Anti-Corruption

06

ANTI- CORRUPTION



a. Anti-Bribery & Corruption

Since its inception, Banque BEMO is committed to embed high ethical standards and anti-corruption practices in the day-to-day business activities. The Anti-Bribery & Corruption policy and manual draw together the Bank's principles on anti-Bribery and Corruption. Furthermore, it is designed to reduce the risk of the Bank, employees, or persons associated with the Bank from offering, receiving or extorting bribes, or conducting an act of corruption, either directly or by proxy, and thereby mitigate the risk of the Bank being subject to legal or regulatory sanctions and reputational damage.

The e-Learning platform includes a dedicated module covering the Anti-Money Laundering in order to provide all employees with general knowledge and updated information in the field of money laundering and the measures to fight against it. Employees are encouraged to complete this module as an additional library on top of their respective e-Learning plan.

b. Whistle Blowing

The Whistle Blowing policy has been designed to promote a culture of open communication that enables employees to voice their concerns at the earliest opportunity, while preserving the confidentiality of the employees disclosing the malpractice. The policy allows the employees to raise their concerns directly to the Compliance Officer, if they feel unable to raise them to their direct manager. Moreover, the policy states that the Bank will not tolerate any victimization or harassment of a whistleblower and will take appropriate measures to protect the whistleblower against any retaliation, discrimination, and any other type of unfair treatment. Furthermore, the Bank shall protect the personal information of the alleged wrongdoer in the same manner as the whistleblower.

c. Training & Awareness

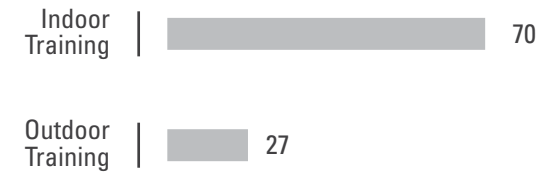
Training sessions covering Anti-Money Laundering and Counter Financing of Terrorism as well as Anti-Bribery & Corruption were conducted during the reported period as follows:

ANTI- CORRUPTION

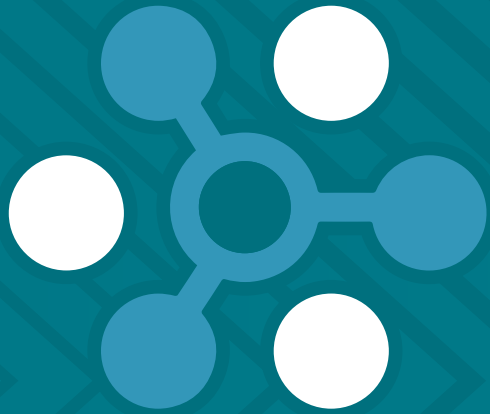


Subject	Number of Participants
GDPR awareness session	39
GDPR readiness workshop	17
GDPR Groupthink session	2
8th Annual Forum for heads of AML/CFT units at Arab Banks and Financial Institutions	1
FATCA related certifications	2
4th international Compliance Forum	2
Anti-Money Laundering & Combating Financing Terrorism	3
GDPR & The Data Privacy Transformation Journey in the Middle East Region	2
FATCA and CRS Tax Due Diligence & Reporting	1
4th Anti-Cybercrime Forum	4
AML updates: the 4th and the 5th AML Directive Seminar	3
Investigating Suspicious Money Laundering Operations - AML Case Studies	4
DDML & FATCA/CRS	14
Compliance Measures on fighting Money Laundering and Terrorist Financing	1
The 6th Annual Cypriot Forum: AML/CFT Compliance with International Regulations & Adopting MONEYVAL Principles & Recommendations	2
Total	97

Number of participants per type of session:



COMMUNICATION ON PROGRESS REPORT



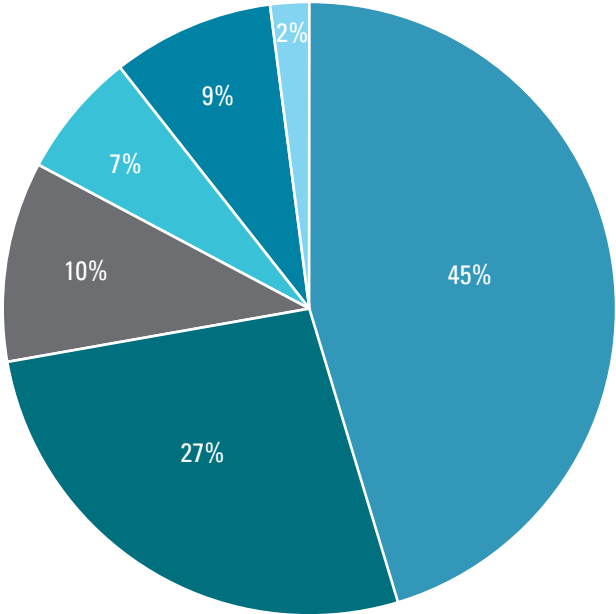
CSR Activities Breakdown



CSR ACTIVITIES BREAKDOWN



CSR Budget Breakdown



- Culture
- Education
- Health
- Environment
- Social
- Sports

a. Cultural activities

Exhibitions

- In its constant support to Art, Banque BEMO organized a 4-day private tour to a group of clients in Art Basel. The visit submerged its participants in a rich and exciting cultural adventure, with a full program of artworld talks, exhibitions and events offered in Basel and its surrounding area.
- Beirut Art Center with the support of Banque BEMO hosted the preview opening of its new spaces with an exceptional exhibition entitled “Touché! Gesture, Movement, Action” which showcased a line-up of local and international artists.



CSR BUDGET BREAKDOWN



- As a fervent supporter to Art, and on the occasion of Beirut Art Fair 2018, Banque BEMO was the proud official and exclusive sponsor of the Art Collectors Special Preview. The Art Fair offered an exceptional program whereby guests were invited to this special preview of Modern and Contemporary art that brought together art galleries, art institutions, museums and art foundations.
- “Cycles of Collapsing Progress” by Oscar Niemeyer took place at the International Fair – Tripoli. This exhibition was organized by BeMA (Beirut Museum of Art) with the support of Banque BEMO who was the proud supporting sponsor of the “Space Museum”, a work by Joana Hadjithomas and Khalil Joreige. The exhibition presented 12 newly commissioned works, revolving around the notions of cycles, cyclical time and the destruction and reconstruction of civilizations. It brought together people from different socio-cultural backgrounds,



exposing them to the history of the fair itself as well as that of their country while also introducing them to a palette of international artists, who presented a selection of produced works reflecting on the past, present and future of human, natural and political cycles.

Cultural Events

- Banque BEMO was the proud sponsor of a fundraising event organized by Fondation Liban cinema: the Avant-Première of the French film “Celle que vous croyez” by director Safy Nebbou and soundtrack composer Ibrahim Maalouf. The screening was followed by a discussion between Safy Nebbou and Ibrahim Maalouf and a live musical performance on the piano by Ibrahim Maalouf.
- Banque BEMO organized the signing ceremony of the book “Au NON de Dieu” written by Mr. Armand Pharès in its Ashrafieh premises. A lively and passionate debate animated by the featured keynote speakers marked this event.



CSR BUDGET BREAKDOWN



- Banque BEMO teamed up with L'Institut Français for the third consecutive year of La Nuit des Idées under the theme "Facing the Present: Frontlines" whereby three round tables and one literary café were organized as well as artistic performances and a concert.



Festival and Concerts

- Banque BEMO was the proud sponsor of a concert held in honor of Mr. Gabriel Yared; celebrating 50 years of music, and accompanied by the Lebanese Philharmonic Orchestra as well as the choir of Notre-Dame University of Louaizé, under the conduction of Dirk Brosse at St Joseph Church in Beirut. Special guests appearances included soprano Marie-José Matar, pianist Georges Daccache and last but not least singer and lyricist Yasmina Joumblat.



- Les Musicales de Baabdath with the support of Banque BEMO, hosted the "Chamber Music Concert" at Mar Gerges Church in Baabdat. The concert aimed at promoting musical culture and featured Arata Yumi, the winner of the Aoyama Music Award Kyoto, and the successful young violinist Johanna Ruppert on Violin, the founder and director of the Molaeb Festival for Chamber Music and Fine Arts Ribal Molaeb on Viola, and the Laureate of Queen Elizabeth Competition Maciej Kulakowski on Cello.



CSR BUDGET BREAKDOWN



- A concert by the Antonine University Classical Arabic Music Ensemble under the direction of Nidaa Abou Mrad was held at the Sursock Museum in collaboration with Banque BEMO.

In its continuous support to Music, Banque BEMO invited underprivileged children through the related NGOs to attend the concert; thus, aiming to make the music accessible to everyone.



- For its third consecutive year, Banque BEMO was one of the main sponsors of Al Bustan Festival “Crescendo Celebrating Italian music” which showcased 20 live performances. The Bank proudly sponsored three concerts; namely: the “Paganini Violin Concertos Nos. 6,3,1” and “La Traviata all the way” as well as “Camarena sings Rossini.



- With the support of Banque BEMO, the Lebanese Band Association for the Promotion of Music (LeBAM) held its annual summer concert in Beiteddine featuring a varied program including music especially arranged for LeBAM with a special appearance by Mrs. Oumeima EL Khalil.



b. Educational Activities

Financial Inclusion

In line with Banque BEMO commitment to show progress on the Sustainable Development Goal - SDG 8 “Decent Work and Economic Growth”, and as part of the Bank’s digital transformation journey, the following initiatives were undertaken/ planned for a group of youth aging between 18 and 30 years old with the main objective to educate and increase their awareness on financial products and services:

- A storytelling session entitled “Share Your Story to Inspire” featuring young entrepreneurs who relayed their success stories consisting of converting an idea into a winning start-up, namely, Synkers – an online peer-to-peer education platform, Myki – management of all passwords into one application, Clarity Money – an online application to help take control of individual’s personal finances, organization , Souq.com – an online retail application. This interactive session has been attended by a group of **50** youth, included advices and guidelines on the emerging technological solutions.



CSR BUDGET BREAKDOWN



- A new innovative department the “Real Estate Advisory” has been instituted in the Bank whose role is to provide real estate advisory and propose scientific potential solutions.

- The “Global Investment Outlook” conference, organized for a large group of clients, aimed to provide an overview on the global economic outlook, economic growth rates and monetary policies which are key to extend the current economic cycles and the stability of the financial markets.



- The newly established “Organizations & Institutions Business Development” department aims at raising awareness of NGOs, municipalities, universities, schools, and other Institutional Organizations on public governance and providing advisory solutions.

- A FinTech session was conducted for a group of **70** youth, with the main objective to raise their awareness on Financial Technology as a new innovative technology and emerging industry to deliver financial services and improve the use of these financial services.



Conferences

- With the support of Banque BEMO and as part of the series “Débats d’idées” organized by Institut Français, two conferences were held. The first one featuring the Chairman of the Board on “Financial Innovation as a Vector of Globalization” as well as Mr. François Bourguignon, economics professor and ex Vice President and Chief Economist of the World Bank on “Mutations of Globalization”; and the second one was a talk, held at the Sursock Museum, with the art critic Mr. Nicolas Bourriaud on the theme “L’Artiste: Anthropologue et Sauvage” whereby the following themes were tackled: the anthropologist and immersion, the anthropologist and the political gain, Art as a signal and finally, the dichotomy between nature and culture.



CSR BUDGET BREAKDOWN



- Banque BEMO sponsored the event Internationalization of French Businesses in the scope of the Francophone Days of Family Business which highlighted the success stories of family businesses in Lebanon working hand in hand with family businesses in Switzerland, Belgium and the Luxembourg. Hence, our Chairman Dr. Riad B. Obegi, shared his experience as well as his family's journey during the panel "Internationalization of Family Businesses: International journeys of Family Businesses."



- Banque BEMO was the proud sponsor of RDCL World's lunch debate which featured honorable guests: Mr. Ferid Belhaj, Vice-President of the World Bank Middle East & North Africa and Mr. Saroj Kumar Jha, Regional Director for the Mashreq. The debate emphasized on the current economic situation in Lebanon.



- Banque BEMO held a conference on the "Essentials for Long-Term Success of Family Businesses" with special guest and keynote speaker, – CEO of CDS Management Consulting. The presentation, covered the importance of family businesses and their contribution to the global economy, both in terms of GDP and employment. As well as the process to be followed by the family businesses to sustain themselves and maintain their success.



CSR BUDGET BREAKDOWN



- In support of the Children’s Cancer Center of Lebanon cause (CCCL), Banque BEMO team visited the center and spent a wonderful time with the children. The visit aimed at drawing smiles on the children’s faces, in an effort to spread positivity, hope and courage in their fight against cancer. A magic show was organized, followed by a visit from Santa Claus and the distribution of gifts to all patients.



- In light of sharing the Christmas spirit with unfortunate children, and within the scope of employees volunteerism, Banque BEMO distributed **150** gifts to orphans living in two Convents located in Broummana and Ajaltoun.

- Banque BEMO supported the breast cancer awareness month’s cause by displaying a related flyer and pink ribbons in all its premises. Furthermore, the pink ribbon was displayed on the bank’s website and Internal Communication Site and Banque BEMO employees showed solidarity to this cause by wearing pink bracelets during the month of October. Additionally, the Bank raised awareness on World Cancer Day and World Disability Day on its social media platforms and International Communication Site.



CSR BUDGET BREAKDOWN



- Banque BEMO was the proud bronze sponsor of Myschoolpulse's 9th edition of the Pulse 5K – 1K marathon. BEMO's family spirit came together once more as **58** participants comprised of employees and their families and friends participated in the race, thus enabling **102** children to continue their schooling in their hospital beds during one full academic year.



- Banque BEMO's colleagues and family members participated in the 16th edition of Beirut Marathon under the theme "We Fill the Heart of Beirut"; a celebration of peace, health, perseverance and commitment. Again, in this year's edition, the Bank scored a high level of participation whereby **138** employees and their families ran in support of Children Cancer Center (CCCL), a pioneer center in treating children with cancer, and Middle East Eating Disorders Association (MEEDA), an association that raises awareness on healthy lifestyle. The Bank's contribution marked an outstanding achievement by one of its colleagues

for running and finishing the 42 Kms in 6th place in the respective category. Finally, the high level of participation further highlight the Bank's commitment to support social and community well-being.



- An employee from the Private Banking– Foreign Clients unit, climbed the Himalaya to reach the Annapurna Base Camp and she is planning to climb the seven summits and this was the start up of her journey. She decided to dedicate her first expedition to Banque BEMO whereby she raised the Bank's flag on the base camp summit at an altitude of 4,130m/13,550ft.



COMMUNICATION
ON PROGRESS
2019



WWW.BEMOBANK.COM