

Communication on Progress Report

2023



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About Banque BEMO



2020

01

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 is 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 August 2019, further to the Executive Committee decision, and within the scope of the Corporate Social Responsibility plan, Banque BEMO proudly endorsed the "Women's Empowerment Principles" and became member of the WEPs community.

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."

02

Statement of Chairman of the Board of Directors & Vice-Chairman and General Manager

Communication On Progress 2020

02 | Statement of Chairman of the Board of Directors & Vice-Chairman and General Manager

Dear Stakeholders,

True to our values and mission - we - at Banque BEMO - are pleased to confirm the renewal of our continued support and commitment to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In our third Communication on Progress, Banque BEMO aims to fulfill its commitment to magnify its social impact and further foster the Bank as a socially responsible company. Therefore, we demonstrate our aspirations, commitment and actions taken to integrate the Global Compact and its principles into our business, culture and daily operations.

This report shed light on both successes in advancing progress towards the Sustainable Development Goals pledged for, and identify opportunities for improving our performance in the coming period. It outlines the measures undertaken to live up to our responsibilities, as well as our ongoing commitment to transparent and open non-financial disclosure.

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

Yours sincerely,

Dr. Riad B. Obegi
Chairman of the Board of Directors

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



Dr. Riad B. Obegi
Chairman of the Board of Directors



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

03

—
Human
Rights



03 | Human Rights

a. Corporate Governance

The Board of Directors at Banque BEMO has always committed to the Bank's slogan, Relationships are built. Trust is earned, while adhering to the Bank's core values: Family Spirit, Professionalism, Conservatism and Honesty. Board members, presided by the Chairman of the Board of Directors, acknowledge that fulfilling the Bank's objectives depends largely on attaining and preserving the community's trust. Hence, the Board emphasizes that operating in accordance with our values, while complying with the prevailing regulations, would support the Bank – both Management and employees – achieve the desired trust through maintaining transparency with our stakeholders. However, transparency goes beyond the published financials results. It is rather about full disclosure with our stakeholders.

In May 2020, Banque BEMO proudly renewed its membership as signatory of the "Investors for Governance and Integrity Declaration".

Board Changes – Elections and Composition

In May 2019, the General Assembly elected a new Board of Directors for a three years tenure. The Board is currently composed of nine members, four of whom are independent, each bringing in new attributes to further enrich the Bank with a diversity of skills and expertise.

In an effort to prepare the Bank for its digital transformation journey, a new Board Committee was established, the Digitalization Committee, whose mission is to fulfill its oversight duties on the Bank's strategy in relation with the anticipated industry changes and clients' expectations created by digital technology.

Succession Planning

Being a priority key topic, the Board approved the succession plan for 2019, where the members accentuated the importance of nominating candidates who enjoy a wealth of expertise and can drive value into the Bank. In that respect, a best practice method was defined to identify future board members who are compatible with the Bank's culture and aspirations.

Measures during Adversity

Lebanon's Economic Crisis and Covid-19 pandemic, two very overwhelming events, left Lebanon – and the latter, the world – struggling for survival. Unfortunately, this has reflected on all businesses and industries.

The Board of Directors has successfully contained the repercussions resulting from these events. The Board insisted, furthermore, on following up on all the precautionary measures taken by the Management in order to maintain the quality service with our clientele and safeguard the Bank's assets and valuable holdings. In addition, the members looked into the business continuity plan conceived to ensure that the latter supports the required system, withstanding any potential threats to the Bank.

The Board, on the other hand, created a "Steering Committee", whose main function is to provide advice and guidance to the Management and also to facilitate the latter's decision making process for efficiency purposes during times when it is difficult for the whole Board to convene. This committee will, thus, allow agile response to the events without breaking the chain of governance.

03 | Human Rights

Board Strategy

The Board recognizes the uncertain path, however, the members seek to improve the operating performance to achieve and maintain an advantaged and resilient standing. Building on the Bank's inner strengths, mainly proximity to customers and expertise, it managed providing a steady support to clients despite the very harsh environment.

Management, guided by the Board of Directors, has succeeded to make a significant progress in shaping Banque BEMO as one of the major trustworthy institutions, during this severe crisis in the country. The Board's strategy has been to reinforce our position to be amongst the leading banks, through continuously offering distinguished and bespoke services to the clients. This would, hence, increase the positive contributions Banque BEMO provides to the banking industry specifically during this chaotic period, which ranges from continuing the lending activity, where warranted, to organizing crisis management roundtables that help participants better understand the prevailing crisis and set up solutions to concrete stakeholders' problems where possible.

Environment and Society

The Board is committed to corporate social responsibility activities, as members believe that the Bank is part of the community's structure.

Both the Board and the Management realize the array of environmental and social challenges and their influence on the Bank's non-financial investments in particular and on the society in general. The new generation of investors are becoming increasingly aware of their environmental social responsibilities and developments and the pertaining positive impact this generates on their business investments.

This, in turn, will definitely reflect on banks' performance in one way or another. Hence, the Board accentuates the significance of identifying clients' objectives in that respect, in addition to regularly following up on the related developments, whereby it is becoming more incorporated in the Bank's activities framework and the policies and procedures.

This commitment further emphasizes the importance of multiplying efforts to support our social environment while distilling a message of hope.

b. Women’s Empowerment Principles (WEPs)

Further to the Executive Committee decision, and within the scope of the Corporate Social Responsibility plan, Banque BEMO proudly endorsed the “Women’s Empowerment Principles” (WEP) and became member of the WEPs community. The WEPs is a partnership initiative of the UN Women and the UN Global Compact, under the slogan “Equality means Business”. This initiative provided a set of considerations to focus on key elements integral to promoting gender equality and creating open opportunities for both Women and Men in the workplace, marketplace and the community.

The Seven Principles cover fundamental responsibilities in the areas of: Leadership, Workplace, Marketplace, Community and Transparency.

In its commitment to advancing gender equality, Banque BEMO proudly took part of the Women’s Empowerment Principles Gender Gap Analysis Tool to assess its gaps and identify opportunities for improvement; and most importantly, moving from commitment to action through a set of concrete goals and targets, and measuring and reporting related progress at the level of Leadership, Workplace, Marketplace and Community. The assessment results helped shaping an ambitious action plan based on the identified opportunities for improvement and pinpoint the strategic areas where Banque BEMO can have the greatest impact and be recognized as a “Women-friendly Bank”.



c. Human Capital

HRM Vision	HRM Mission	HRM Principles
<p>“To become the EMPLOYER of choice for EMPLOYEES, the CLIENTS want to work with”</p>	<p>“Optimizing the Bank results through Clients Satisfaction</p> <p>Enhancing existing and creating new HR processes</p> <p>Providing an engaging work and culture of development and growth”</p>	<p>“<i>Equity</i> <i>Dignity</i> <i>Fairness</i> <i>Credibility</i> <i>Transparency</i> <i>Confidentiality</i>”</p>

The Human Resources Management (HRM)’s objective is to support, guide and provide all employees with a healthy, stable and positive work environment.

Throughout 2019, the HR Management team was committed to creating a positive impact in all its activities to ensure employees engagement. Therefore, in line with the Bank’s business strategy, the HRM effectively managed the workforce by attracting new talents and retaining existing ones. Indeed, new and innovative frameworks and tools were put in place to provide equal opportunities of development, thus improving employees’ skills and ability to deliver business objectives, allowing them to meet the global strategy and equipping them to take on more complex responsibilities and grow within the organization.

HRM activities were diverse in 2019 but the main focus was on: “Transmitting knowledge to promote productivity”.

03 | Human Rights

Paternity Leave

Number of fathers	Number of hours taken
6	192

Maternity Leave

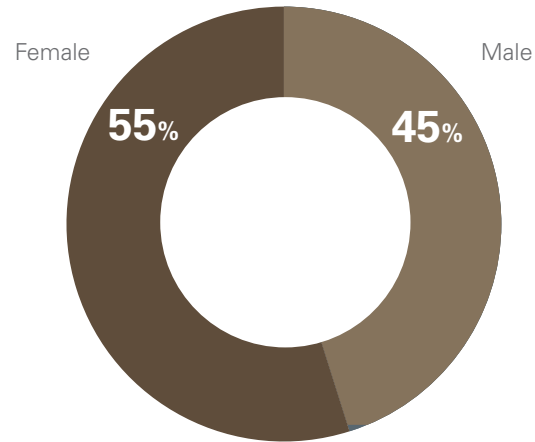
Number of mothers	Number of hours taken
6	3,360

Family Medical Leave

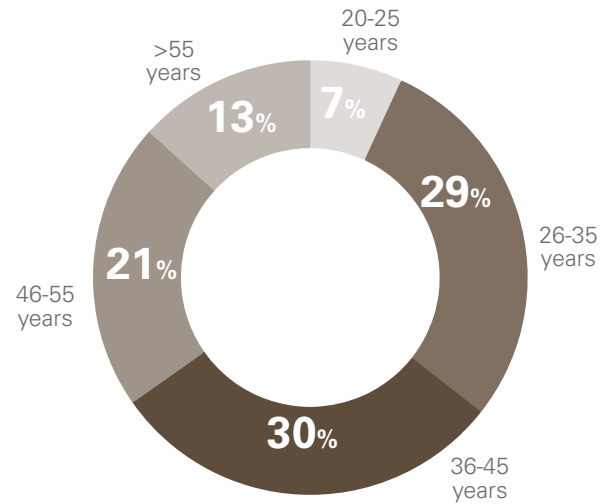
Number of staff	Number of hours taken
73	1,288

Number of Employees

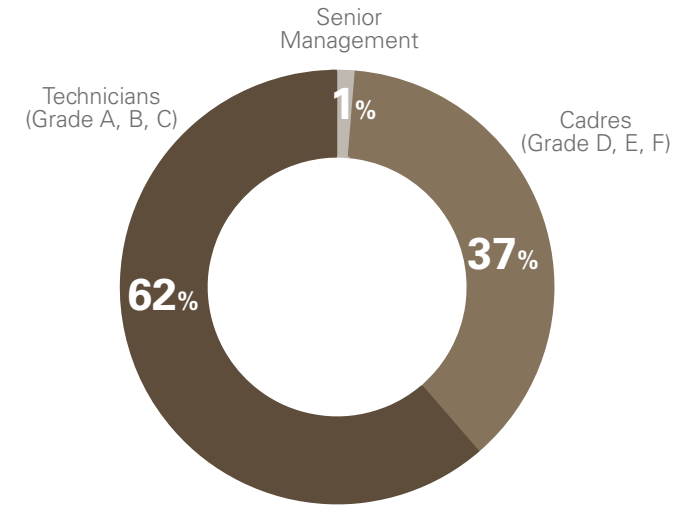
233



Distribution by Gender



Distribution by Age



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.

03 | Human Rights

d. Deontology & Ethics

The Code of Conduct and Code of Deontology set the guidelines to guide staff members on specific practices, behavior, social norms and responsibilities. They further demonstrate the Bank's aspirations and commitment to the highest standards of ethical and moral integrity in the day-to-day business decisions and actions.

Compliance with the guidelines and principles set out in these Codes is mandatory whereby every staff member is expected to read, understand and comply with, in order to protect clients and shareholders' interest. These codes are living documents, subject to annual revision and update.

The Institute of Internal Auditors of Lebanon (IIA Lebanon) in partnership with the Institute for Finance and Governance (IFG), organized a workshop on ethics titled: "Beyond Compliance...Ethics"; in September 2019 at IFG – ESA Business School Campus. The workshop was provided jointly by Ms. Karine Asso – BEMO's ethics ambassador and Mr. Nagi Abou Adal – Ethics & Compliance Consultant of Obegi Group.



The workshop aimed at drawing the importance of a strong ethical culture which is the foundation of good governance; and is created through a robust ethics program that sets expectations for acceptable behaviors in conducting business within the organization and with external parties.



***Doing Business with Ethics
is the cornerstone of Banque
BEMO's business activities*** //

e. Safe, Healthy & Happy Environment

Safe Environment

As we are committed to providing a safe place to work for our employees, clients and other visitors, we believe that integrating health and safety practices into our business has multiple positive effects. For that, the HR management organized six “First Aid training” sessions in collaboration with the Lebanese Red Cross.

Last year, three of the six sessions were solely dedicated to our fire marshals who were certified as First Aiders ready to ensure a safe environment if and whenever a need arises.

After the fruitful and positive feedback on the first three sessions held, and based on the recommendations of the employees, another three additional sessions were organized targeting not only the fire marshals of the bank but also whomever was interested to complement his knowledge on First Aid.

39 employees participated in those trainings which aimed at ensuring that employees are prepared for common medical emergencies in the workplace and to provide them with hands-on experience on how to act during these emergency situations while practicing life-saving skills.



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.

The First Aid training material was also uploaded on our E-Motive platform to ensure that information is accessible and available at all times.

Our branches have kept their doors open and served clients while respecting the COVID-19 preventive measures since the beginning of the pandemic. Our colleagues have shown exceptional courage and client servicing skills, perfectly embodying the Bank's “Family Spirit” value.



03 | Human Rights

Healthy Environment

COVID-19

Basic preventive measures against the Coronavirus (COVID-19) were communicated by the Bank to employees and clients alike. These awareness guidelines were subject to a visual displayed at the branches counters, clients' reception areas, meeting rooms, and reception desks and were also published on the Internal Communication Site. On the other hand, an awareness session with Dr. Nesrine Rizk - Assistant Professor of Clinical Medicine, subspecialty Infectious Diseases, in the Department of Internal Medicine at the American University of Beirut Medical Center was organized at our Ashrafieh premises and attended by **23 employees**.



“ The world has known an unprecedented international health crisis, which has touched the lives of every single person, wherever they may be. We may have chosen to look at this event pejoratively, but this is not our culture at BEMO. Instead, we chose to look at the bright side of things and to see the light at the end of the tunnel. Therefore, a series of tips were shared on a weekly basis, to help employees and their loved ones get through the lockdown in a fun, playful, healthy, cultured, knowledgeable and pleasant way.



03 | Human Rights

Happy Environment

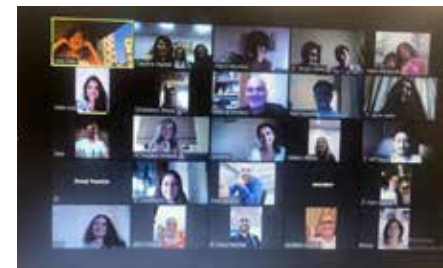
The “Chief of Happiness Magic Wand” has been passed by the former COH Mr. Ali Hayek to the new COH Ms. Joanna Gharios from the Branches Network, for a six-month period. Happiness is the secret ingredient in the workplace, having a great impact on both the internal and external stakeholders. Therefore, the mission of the COH is to make the workplace happiness a priority through a series of simple and easy-to-implement ideas/quick wins; thus putting in place a creative approach to a happy environment. In an effort to engage all stakeholders, it has been decided that the COH will, from now on, be assisted by a committee composed of clients and employees.

Banque BEMO’s Chief of Happiness, in collaboration with the Communication Department organized a «Karaoke Night» event whereby staff members, took turns to sing songs and show off their vocal range in a fun and relaxed atmosphere. The audience actively participated by waving props expressing their like or dislike after every performance. Finally, 4 awards were handed out to the best and worst singers. Our Chairman of the Board of Directors, Mr. Riad Obegi, and Vice Chairman & General Manager, Mr. Samih Saadeh, both attended the event, further highlighting one of the Bank’s core values: Family Spirit.



Banque BEMO’s Chief of Happiness, organized a Virtual Get Together for colleagues to reconnect, catch up and share good times while on lockdown. This gathering was attended by colleagues from different departments.

A second Virtual Happy Hour was attended by Banque BEMO’s employees as well as Banque BEMO’s interns who all got together for an hour on Zoom platform, in the presence of the Chairman of the Board of Directors and the Vice-Chairman and General Manager, allowing everyone to bond together and spread positive vibes in the hard times that the country is going through. Once again, Banque BEMO’s Family proved to live by shared values, with an emphasis on Family Spirit.



03 | Human Rights

Banque BEMO is proud to have launched the “Chief of Aesthetics” (COA) initiative. The objective of this initiative is to foster a positive mood in the workplace, which is considered a second home for most employees, and to express our unique identity, values and culture for all stakeholders who visit our offices. This will be done through planned visits to all departments and premises. Our colleague Mr. Jad Abou Jaoude from the Corporate Banking Department has been elected as the first COA for a period of six months after which another colleague will be nominated to take over this mission; The COA will also be assisted by a committee composed of clients and employees.



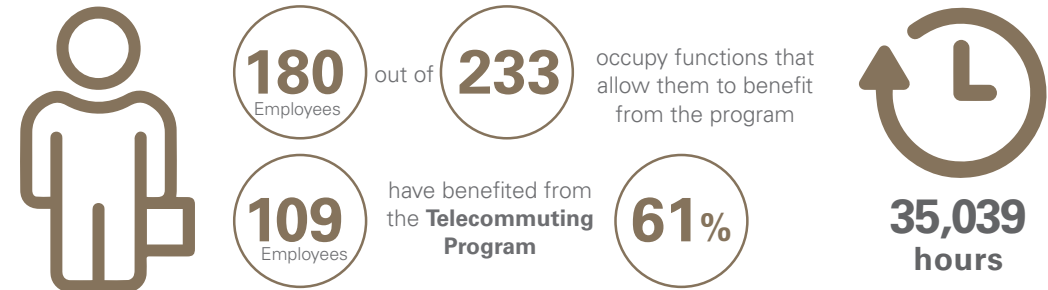
Further to the Executive Committee decision taken during its meeting held in April 2019, the new pioneering initiative of “Telecommuting” was launched at Banque BEMO. This initiative gives the privilege and flexibility to the employees, depending on their job profile and according to specific eligibility 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.



Additionally, a visual was developed by the Communication Department and addressed to the employees who have been working remotely during the lockdown. It was meant to provide them with guidance and assist them in boosting their productivity through self-discipline. Indeed, as Theodore Roosevelt once said: “With self-discipline most anything is possible”.



As per the Task Force decision, Banque BEMO is expected to run at a minimum of 30% of the workforce working from home, aiming to reach 50% in the near future, whereby departments, where applicable, are requested to apply and optimize the use of the Telecommuting program in their respective areas on shift basis. As for those whose function does not allow working remotely, they were encouraged to promote the carpooling while ensuring COVID-19 safety and precaution measures in place.



04

Labor

2020

a. Recruitment/Career Mobility and On-Boarding

Career mobility continues to play an important role in retaining talents and providing attractive career opportunities.

During 2019, and due to the economic situation in Lebanon, the HR management looked at filling job openings with internal candidates whenever possible. By doing so, employees are expanding their skills and serving other departments while the need for external recruitment is reduced.

However, it is sometimes necessary to bring in specific skills and experience from outside the organization.

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

Number of new recruits from August 2019 as at 30 June 2020: **12**

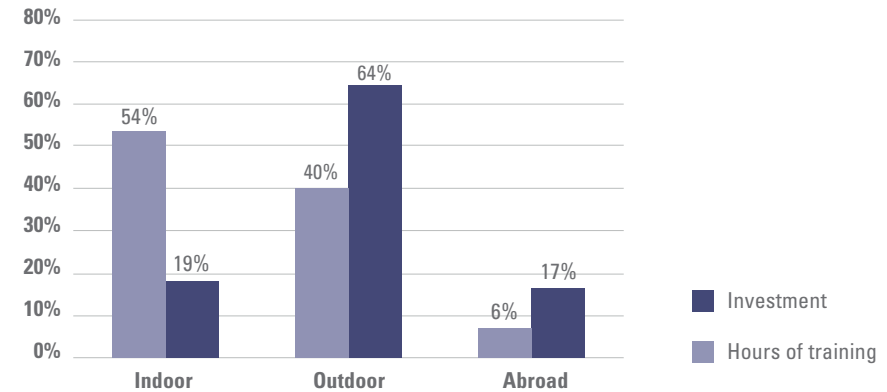
b. Learning & Development

The Learning and Development unit aims at supporting and helping Banque BEMO's employees to develop professionally and personally, advance in their careers and become high performers.

Throughout 2019, ongoing indoor, outdoor and abroad trainings were held. Subjects covered were diversified, however, key areas for 2019 were Fraud, Risk and Compliance/Money Laundering trainings as well as other technical and soft skills training.

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.

Training Breakdown 2019



**Banque BEMO invested a total of 74,800 USD in training for its employees in 2019*

The Human Resources Management continued to apply the reflective minds initiative that was designed to unite the senior management with other employees whereby interactive and open discussions, brainstorming and sharing of new ideas are held after sharing introductory videos chosen and selected by the HRM department from our E-Motive Cross Knowledge library.

Throughout 2019, two reflective minds sessions took place on non-working Saturdays. The first one tackled "empowerment" which focused on the importance and the best ways to empower people in the workplace and thus growing them into leaders. The second one entitled "Your professional development is your responsibility" which highlights why it's important that an employee, takes charge of his own professional development and career.

During these sessions, a total of **25 participants** shared their feedback and suggestions, gave their point of views while facilitators shared their own experience and ideas of improvement.

On-The-Job Rotation Program

As part of their induction, this year, the job rotation program mainly focused on our new employees. The purpose of it, is to introduce new joiners on the different banking activities followed by presentations conducted by each business owner to describe the main activities of each department and their influence on the overall banking activity.

Rotation programs are designed and tailored according to new joiners' needs, and manager's recommendations.

Not only does this increase engagement of new recruits, but it also allows them to network with other employees and thus adapting quickly in their work environment.

BEMO E-Learning Solution

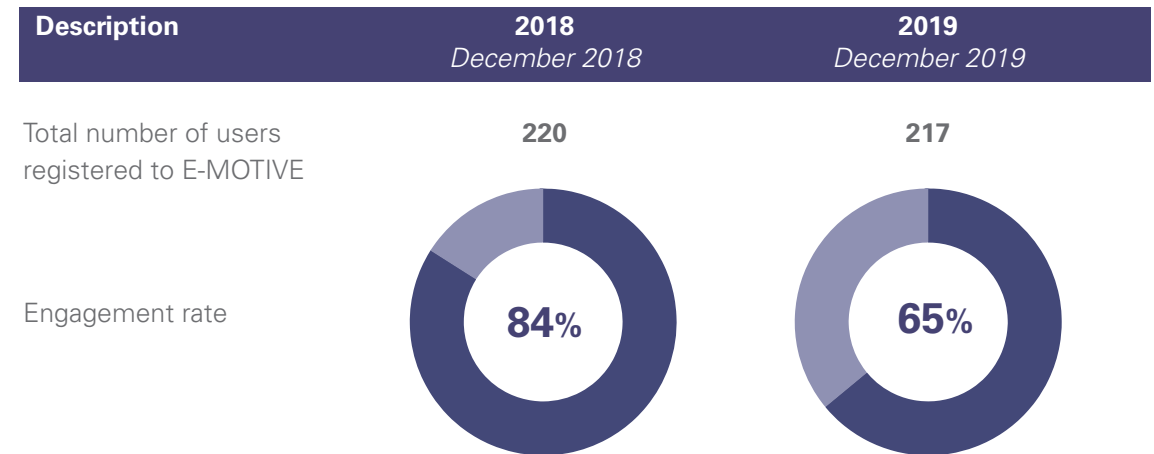
As part of our strategy to improve the employee experience of learning, the HR management upgraded our E-Learning solution into a new structure and design with a strong focus on encouraging technology and to make e-learning more engaging. To support this objective, the "Points accumulation" system was applied on the new platform to identify and reward employees who are investing in their professional development in a competitive way.

For this purpose, a new logo was designed, and the platform was named E-Motive as we trust that motivation is at the heart of every act, this new brand gives the drive to move forward in learning.

Moreover, every employee was assigned a "Path" including video casts, action tips, essentials, and other learning material, which focuses on his needs of one major competency based on his competencies management results, along with other learning tools such as AML/CFT and MOOC libraries.

In addition, the "Transfer Knowledge Community" was also upgraded to be a fully virtual learning session for employees who are not able to access classrooms. This has allowed better flexibility, and the opportunity for employees across locations to collaborate and share skills and knowledge.

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



The variation 2019/2018 is mainly due to the lockdown periods whereby a high priority was dedicated to providing our clients with their urgent and essential needs

Online Competencies Assessment

This year, The HR Management relaunched the Online Competencies Assessment. The process occurs once every two years and it involves evaluation of employees from grade “B” to grade “E” through a test related to **12** transversal and **7** specific competencies presently in force at our Bank.

The results of the tests served to:

- Define objectively the level of knowledge in each of the transversal and specific competencies
- Identify the areas of improvement for each employee, in order to assign related learning programs
- Propose for promotions based on the results analysis in close collaboration with line managers, and according to a pre-defined grading structure criteria.

Young Adult Professionals Activity

In line with the Future Generation – Staff Children Coaching program, the Human Resources Management department launched its third activity the “Young Adult Professionals” for our RED team (children from 15 till 18 years old) in close collaboration with a reputable company specialized in trainings and workshops , on Saturday July 06, 2019 at Banque BEMO premises. The purpose of this activity was to assist young adults to take the first step in selecting their career. Accordingly, children of the employees falling within this age bracket participated in this activity in addition to **4** of our clients’ children and had the chance to go through a Self-Awareness journey and evaluate their personal strength and areas of development versus the opportunities and threats of their career options in mind. Furthermore, they had the possibility to identify their preferences enabling them to have clarity about the career profile in the future. Children showed a high level of interaction and seriousness that resulted in a great success of this activity.



Future Generation Program

Within the scope of “Future Generation – Staff Children Coaching” program, the Human Resources Management of Banque BEMO celebrated in August 2019 the success of Banque BEMO employees’ children who were listed among top students in their schools and universities for the year 2018 – 2019, whereby a gift was offered to each top student. The ceremony took place in our Ashrafieh premises, and was entertained by a group of talented staff children who unleashed their musical abilities by playing Piano, Violin and by singing. Also, children participated in a group activity by gathering puzzle pieces into one frame, ending up by the slogan “Learning Today, Leading Tomorrow”. The Chairman of the Board of Directors, Vice Chairman and General Manager and the Executive

Directors were present to support and encourage the great work of the Children and boost their energy for a brighter future.



Digital Internship

In a step aiming at preparing for the future, facilitating youth work integration and providing additional income for deserving students, Banque BEMO launched the “Digital Internship” program, to assist university students in completing their educational curriculum requirement. Banque BEMO has always been keen on enthusing young adults and students to thrive for success through getting hands-on experience and learning new skills. Based on the belief “Learning is Empowering”, the purpose of the Digital Internship initiative is to foster education and making it accessible to students in a remote working environment, creative approach for learning and training while staying safe and positive in the present times of uncertainty. In offering them the opportunity of being enrolled in the Banking learning program, Banque BEMO offered students not only a platform through which they develop new skills, but also hope in the future, despite all the obstacles the country is currently facing. In this context, Banque BEMO stands firm with its statement:

“2020 is the year of courage, and we want to set an example to follow and become a source of hope for all Lebanese people so that we rise together and overcome the crisis.”

38 students from 6 of the countries’ top universities participated in this program for a total of **2,622 hours** of learning including tasks/projects assigned.



38
interns



2,622
hours

c. Employment Engagement & Satisfaction

Our “Thank You” program went virtual! This program aims to create a wide culture of appreciation and to instill a positive environment in which staff members 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 virtual card is made available on the Internal Communication Site under the Online Forms section (home page, left menu) enabling staff members to provide instant and spontaneous recognition to other colleagues from same or different department.



d. Reward of Achievements

Our Performance management system is designed to help managers and employees understand the bank’s expectations in terms of business delivery, personal development, client centricity, synergy and new initiatives, leading to better measure performance and identify qualified candidates.

However, the bank does not only rely on the performance evaluation’s results to reward or recognize its employees; some other standards are:

- **The 360 degree evaluation for cadres**
- **Manager’s feedback**

e. Employee Volunteerism Program

As part of the Bank’s Employee Volunteerism Program, **100 hours** and close to **200 kgs** of clothes donations were committed to worthy causes, namely: CHANCE, Dar El Amal, Autism Awareness Association, St Vincent and St Joseph convents for orphans CCCL and SESOBEL. The experience was one of a kind and employees encouraged each other to volunteer for a cause dear to their hearts. This program falls, to a large extent, under the Bank’s pledge to SDG 3 “Good Health and Well-being”.



05

Environment

2023

a. Carbon Footprint Management

As part of its commitment to 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 the previous year, Banque BEMO has added its branch in Cyprus to the program. Hence, the total GHG emitted by Banque BEMO, from its facilities in Lebanon and Cyprus, employing 239 employees in a total area of 8,598 m2, the GHG emissions are equivalent to 7.2 tCO2e per employee and 200.5 KgCO2e per m2.

Scope 2 was the main contributor of 72.2%, while purchased electricity from local utilities and from shared generator were the main source (38.6% and 33.6%, respectively). Figures 3 and 4 illustrate the GHG emissions per scope and per source: figure 3 and figure 4 illustrate the contribution of scopes and sources in 2018, respectively.

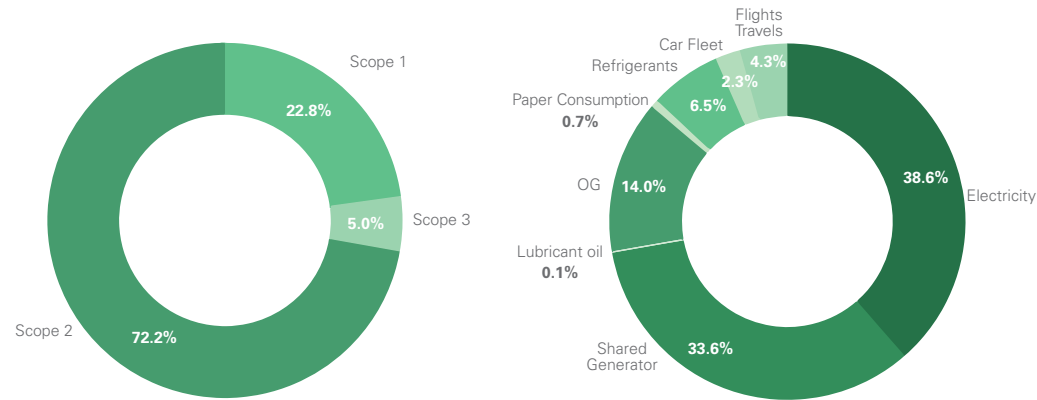


Figure 3: GHG emissions per scopes in 2018

Figure 4: GHG emissions per sources in 2018



Banque BEMO was awarded by the Ministry of Environment and the United Nations Development Program for reporting its Greenhouse Gas Emissions. This is a recognition of Banque BEMO’s efforts in computing and reporting its GHG emissions within the scope of the “Carbon Footprint Management” project completed in close collaboration with V4 Advisors - a specialized consulting firm.

b. Reforestation Initiative

Following last year's inauguration of the BEMO Cedar Forest initiative in honor of Banque BEMO's clients in gratitude of their trust and loyalty, the maintenance of the **625 cedar trees** has been ensured this year, which has allowed the cedar trees to survive rough weather conditions and provided them with the necessary care to grow.



Laying the stone of Banque BEMO's Cedar Forest

c. Paperless Environment

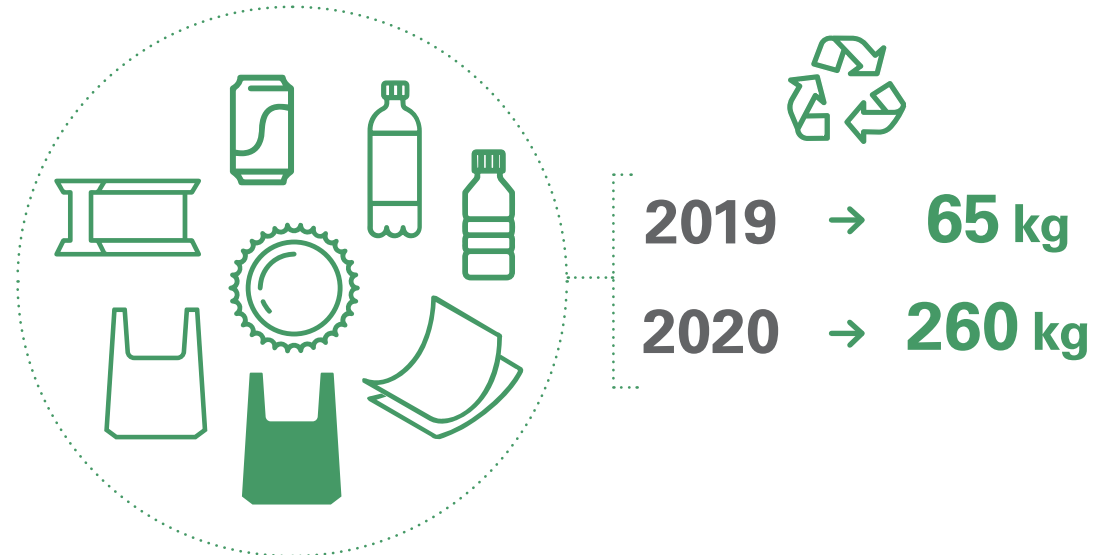
	Number of sheets saved since the implementation of the electronic solution	Estimated number of sheets saved this year
Electronic End of Day System Continuous form printing	2,720,000	480,000
E-statement	241,708	68,083



Average weight of recycled paper

d. Recycling

The CSR Unit launched the recycling program in partnership with arcenciel, a non-profit, apolitical and non-confessional NGO participating in sustainable development, and working/supporting people living with disabilities or other physical and psychological difficulties, whereby special branded bins were installed in all our premises and a set of measures and tips were circulated among all employees to raise awareness and reduce waste in the workplace as well as at home. This initiative will further be extended in a second phase to raise awareness among our external stakeholders. The valuable collaboration of all colleagues to adhere to the guidelines enabled us to ensure a successful implementation of this initiative. Recycling is easy and simple, it only requires few changes in our daily habits!



e. Support Local Produce

In support of local farmers and in line with the bank's CSR strategy, Banque BEMO proudly supported the Lebanese Apple Day, by offering apples to its internal and external stakeholders in the Bank's premises for 3 days. This initiative was marked by a close collaboration with Fair Trade Lebanon, an NGO identifying and supporting the Lebanese regional produces and promoting the richness and the uniqueness of these local produces, and IRAP, an NGO supporting deaf and children with learning difficulties to help them improve their communication skills and educational learning.



06

Anti-Corruption

2020

06 | Anti-Corruption

a. Anti-Bribery & Corruption

As signatory of the United Nations Global Compact, Banque BEMO is committed to the United Nations Ten Principles including the anti-bribery and corruption principles and provisions anywhere in the world where it has presence; and to ensuring that bribery and corruption are prevented in all its business activities. The Bank ensures that its businesses, Senior Management and other staff members comply with all legislation designed to combat bribery and corruption in the jurisdictions in which they operate.

Since its inception, the Bank is committed to high ethical standards in the day-to-day business activities, whereby the Anti-Bribery & Corruption Manual, revised on yearly basis, sets the foundation for the related Program and promote the ABC culture among all staff members, at all levels.

The Bank expects its staff members to demonstrate honesty, integrity and fairness in all aspects of their business dealings and exercise appropriate standards of professionalism and ethical conduct in all their activities. Pursuant to this, the Bank will not tolerate bribery or corruption in any form and has a "Zero Tolerance" to any breach of the ABC Policy.

The approval authority of the ABC manual and subsequent revisions sits with the Board of Directors and General Management, whereas the Bank's Executive Committee ensures that the Lines of Business conduct their activities with integrity and promote the ABC culture to ensure staff members comply with ABC principles.

Banque BEMO's Anti-Bribery & Corruption Policy is published on the Internal Communication Site and made accessible to all staff members. In addition, the ABC Policy includes an engagement letter that is signed by all staff members declaring they have read, understood and adopted all the policy's principles on fighting bribery and corruption.

Moreover, **15** new recruits were subject to Anti-Bribery and Corruption training and awareness session, via Zoom portal, as well as post-training assessment done by the Quality Management Executive Director, in close collaboration with the HRM, in order to ensure their understanding on bribery and corruption is up to the desired expectations. The ABC training is included in the new recruits' induction program at the HRM.

b. Whistle Blowing

Banque BEMO is committed to the highest ethical standards and expects its staff members to work in accordance with the Bank values.

The Whistle Blowing policy is subject to an annual revision and approval by the Board of Directors as an integral part of the "Anti-Bribery and Corruption" manual. It is designed to promote a culture of open communication that enables staff members to voice their concerns without fear at the earliest opportunity while protecting and preserving the confidentiality of the staff member disclosing the malpractice.

The objective is to advocate for a robust whistleblowing framework, further promote integrity and have more people speaking up against corruption, other unethical conduct and malpractice. The Board Audit & Ethics Committee as well as the Board Compliance & AML/CFT Committee are taking the overall responsibility for reviewing any whistle blowing case reported and investigated by the Internal Audit & Ethics department.

06 | Anti-Corruption

c. Training & Awareness

Subject	Number of Participants	Number of Hours
GDPR Groupthink	1	3
Implementing GDPR: A Practical Approach for Banks & financial Institutions	2	10
2nd Annual Forum on Corporate Governance in Arab Bank	1	8
Legal Aspects of Banking Operations	13	117
5th Annual Global Cyber Security Forum	2	14
The Compliance Monitoring Program	2	4
AML Regulations and Updates	2	12
Total	23	168

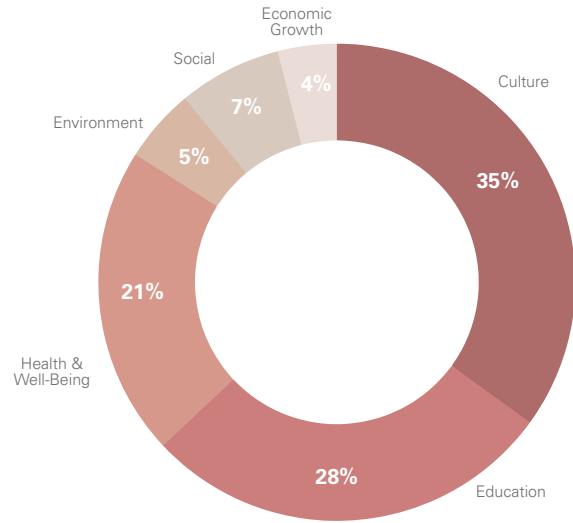


07

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CSR
Budget
Breakdown

2020

07 | CSR Budget Breakdown



a. Cultural activities

Exhibitions

Autism is Real

In line with its Corporate Social Responsibility framework, Banque BEMO hosted the opening ceremony of the exhibition dedicated for the autistic children of SESOBEL (SESOBEL is a non-governmental organization founded in 1976, whose mission is to assist children with disabilities and accompany their families as partners in facing life’s challenges). The exhibition aimed to support SESOBEL mission and featured wonderful paintings drawn by the autistic children, whereby two of them were present during the opening ceremony at the Bank’s Ashrafieh branch. United for a noble cause, the exhibition gathered a number of guests, as well as Banque BEMO friends and family.



Study for a Soap

Banque BEMO was the proud sponsor of an exhibition entitled “Study for a Soap” by artist Emmanuel Tussore at Abroyan Factory. Aleppo soap has been the pièce de résistance of Mr. Tussore’s work, namely his sculptures, installations, photos and films. As part of Beirut Art Fair 2019, the audience had the opportunity to witness the recreation of Tussore’s famous installation “City”, in which the artist used soap from Aleppo and Al Koura to recreate the ruins of a broken city.



Beirut Art Center

The Visit of the Beirut Art Center took place in September 2019, in their new location in Sin El Fil. The tour took the guests through different rooms containing a wide variety of artworks, books, architecture, paintings, handcrafts, etc...BAC is the perfect place for new talents as they are welcomed and supported by professionals and for visitors familiar with contemporary art.

**Mural Painting**

In a one-of-a-kind initiative aligned with its policy in supporting art, Banque BEMO unveiled the large-scale mural painting entitled "MILLA" in Ashrafieh, Sassine. In collaboration with Art of Change, an organization committed to empowering people and communities through the promotion of art, "MILLA" was painted by artist Ihab Ahmad who was present during the big unveiling event, alongside officials, VIP, businessmen, artists, media, influencers... The painting initiative aimed to improve the neighborhood through a powerful message; storytelling and Art made accessible to everyone. Hence why Banque BEMO supports Art in all its forms; as it is a means of Communication to convey a story, an idea or an emotion. Indeed, Art is an essential component of Banque BEMO's identity, whereby the Bank recognizes that Art has an important and positive social impact on people's lives and the well-being of the community.



07 | CSR Budget Breakdown

In Support of Culture

In its support to culture, Banque BEMO held its **Board of Directors meeting at the Lebanese National Library**. The Board Members and their assistants met in an emblematic and prestigious place for a day in order to discuss bank affairs as well as to show their support for the Lebanese heritage. This initiative is in line with the bank's CSR activities, a commitment which has been among the bank's priorities. Indeed, it depicts the idea that a partnership between private and cultural institutions is not only beneficial but necessary. This event has contributed to providing the National Library with exposure, this unknown architectural gem in the center of Beirut in spite of its priceless treasures and historical richness. Banque BEMO hopes that this initiative will encourage other institutions to take similar steps in order to promote our national heritage.



Banque BEMO in partnership with the French Embassy in Lebanon and the Institut Français du Liban have organized a talk with Nayla Chidiac, doctor in clinical psychopathology and founder of the therapeutic writing workshops at the Centre Hospitalier Sainte-Anne, on the theme **“Comment l’Art peut changer la vie”**, moderated by Zeina Saleh Kayali, Director of the collection “Figures musicales du Liban” (Geuthner), writer and co-founder of the Centre du Patrimoine Musical Libanais (CPML), at the Résidence des Pins. The talk was followed by a music recital featuring Marie-José Matar (soprano) and Georges Daccache (piano), accompanied by Lebanese poetry, written by Nayla Chidiac and recited by Randa Sadaka. Moreover, the light was shed on Lebanese composers whose works were performed, among them: Wadia Sabra, Georges Baz, Nicolas Chevreau, Bechara el Khoury, Georges Daccache and Iyad Kanaan.



For the 4th consecutive year, L’Institut Français du Liban in partnership with Banque BEMO has organized the 5th international edition of **“La Nuit des Idées”**, under the theme “Etre Vivant” at the MiM Museum and the headquarters of L’Institut Français du Liban in Beirut. The theme chosen by Paris for this 5th edition revolved around the celebration of richness and diversity under all its forms.



07 | CSR Budget Breakdown

In its continuous support to Culture and Art, and during the lockdown, Banque BEMO launched the “**BEMO virtual art club**” (**Bvac**) in the hopes of helping its stakeholders escape reality, inspire them as well as entertain them from the comfort of their own homes. Hence, since March 2020, several themes revolving around the world of cinema, art, wine, music, literature and cooking have been discussed in groups of 20 to 25 persons, with the presence of experts, on the platform “Zoom”.



Festival and Concerts

In its continuous support to music and making it accessible to everyone, Banque BEMO sponsored the **Lebanese Band Association for the Promotion of Music - LeBAM**'s annual summer concert in Beiteddine featuring a varied program including music especially arranged for LeBAM with a special appearance by Mrs. Oumeima EL Khalil.



Banque BEMO was one of the proud sponsors of the **Baalbeck International Festival**. This year's sponsored event highlighted Tarab and Jazz in the presence of two talented performers: pianist and composer Elie Maalouf and great singer Jahida Wehbe. The concert featured Elie Maalouf's compositions performed with his musicians as well as Jahida Wehbe's songs. Furthermore, the show featured some handpicked musical pieces from the classic Arabic repertoire as well as an exclusive “Baalbeck overture”. A selection of the Bank's special guests enjoyed this unique musical moment together.



In our continuous support to Art and Music, and under the slogan «**Unleash the Power of Music**». Lebanese-French Steinway pianist Mr. Patrick Fayad performed live at our Ashrafieh branch, in the presence of our Chairman of the Board of Directors Dr. Riad. Obegi and a few clients who were privileged to attend this special performance.



07 | CSR Budget Breakdown

In its continuous support to Art, specifically to Music, an “**Escapade Musicale**” featuring Mario Rahi (violin) and Lucas Sakr (piano) was held at the Bank’s premises. This initiative aimed at engaging, connecting and fostering a sense of community through the joy of music. Neighbors as well as Board Members and Clients were invited to attend this event.

The Centre du Patrimoine Musical Libanais (CPML) in partnership with Banque BEMO introduced three concerts highlighting the richness and diversity of Lebanese music. The concerts took place at the Notre-Dame du Liban cathedral in Paris. The first concert “d’Erevan à Beyrouth” featured Georges Daccache and Betty Courtian, the second was dedicated to Lebanese Chamber Music with the three French musicians Christine Marchais (piano), Juliette Sieffert (cello), and Marc Sieffert (saxophone). Finally, the third event “Poésie et Musique » featured Georges Chidiac (piano), Marie-José Matar (soprano) and Elisabeth Druhle (narrator) exchanging music on texts from Nayla Chidiac.



Banque BEMO was the proud sponsor of **Beirut Chants Festival**. For the first time in Beirut Chants, the prominent Organ player Simon Vebber performed at the Assembly Hall, American University of Beirut (AUB).



Banque BEMO was the proud sponsor of the **Lebanese Philharmonic Orchestra** concert, organized by the Centre du Patrimoine Musical Libanais (CPML) at St. Joseph Church. The concert featured conductor Walid Moussallem, soprano Nadine Nassar and cellist Sary Khalife in a program that included works by Rachmaninoff, Kanaan and Schumann.



07 | CSR Budget Breakdown

Banque BEMO was one of the main sponsors of **Al Bustan International Festival**. This year's theme "Ludwig" focused on Beethoven's masterpieces with a total of 15 performances. The Bank was the proud sponsor of "Les Confessions de Beethoven", a special fundraising performance by renowned pianist Abdel Rahman El Bacha who played extracts of The Moonlight, Tempest, Waldstein and Appassionata Sonatas. Actor Jean-François Balmer who delivered a text by Lebanese writer Alexandre Najjar, giving the audience "edifying confessions which reveal the personality of the great composer and unknown aspects of his existence," accompanied Mr. El Bacha on stage.



Banque BEMO, with the collaboration of the French Literature Department of St Joseph University USJ, organized a concert entitled «De la Musique et des Lettres» featuring the Steinway artist Patrick Fayad on piano. This concert was dedicated to the promotion of a new scholarship #FiersdeLettres intended to help students desiring the pursue French literature studies.



b. Educational Activities

Banque BEMO partnered with the **Beirut Museum of Art - BeMA** to integrate the arts culture in Lebanese public schools, through the Artists in Residency Program. This initiative falls within the evolving and transformational context of the Bank's Corporate Social Responsibility, aiming to achieve a positive change and social impact on the community, through reviving and building the creativity and imagination of the youth. Banque BEMO believes that art is an essential and critical component of education.



07 | CSR Budget Breakdown

With the growing pressure Lebanon was facing amidst the health, social and economic crises, conflicts and differences have become more frequent and greater in intensity. Striving to help alleviate burdens that have a high impact on the community by peacefully resolving disputes through specialized communication and negotiation techniques, Banque BEMO has revived its **“Mediation Initiative”**. With this initiative, Banque BEMO aimed to fulfill its commitment to magnify its social impact and further foster the Bank as a socially responsible company. A ceremony took place for the protocol signature between the Bank and the Professional Mediation Center (CPM) of St Joseph University of Beirut through which this Mediation Initiative not only prevents or resolves any eventual conflicts with its clients or suppliers but also finances scholarships for CPM students, thus playing a pivotal role in educating and promoting the Mediation on a national scale. In this context, Banque BEMO stands firm with its statement: “2020 is the year of courage, and we want to set an example to follow and become a source of hope for all Lebanese people so that we rise together and overcome the crisis.”



Conferences

Banque BEMO Private Banking Foreign Clients department, in close collaboration with a specialized coaching firm, organized a workshop entitled **“Customized Success Planning for Youth in Family Owned Businesses”**. The event aimed at eliciting a bond with the Private Banking clients’ future successors aged between 18 and 30 years old, and providing them with an overview on the governance and generational succession in Family Owned Businesses. Dr. Riad Obegi - Chairman of the Board of Directors stressed on the big challenges of the Family Business, mainly the succession and sustainability, while focusing on the critical path to the family business success through Entrepreneurship. A certificate of completion was remitted to every participant at the end of the workshop.



07 | CSR Budget Breakdown

Following the submission of the second Communication on Progress (annual sustainability report), the **United Nations Global Compact** invited Mrs. Claudine Feghaly to take part of the GCNL COP reporting workshop, as a guest speaker in a panel discussion as Banque BEMO's report served as a desirable model to be adopted, whereby she shared Banque BEMO experience through practical examples on the priority SDGs and their integration into reporting process. Ms. Feghaly was joined by other prominent guest speakers in discussing the terms of primary choosing Sustainable Development Goals (SDGs); measuring their analyzing impact; and communicating the report effectively to major stakeholders.



Banque BEMO was a proud sponsor of the Research for Education Accessibility Challenges (R.E.A.C.H.) International Conference on Inclusive Education: an Opportunity and a Challenge for Educational Systems, organized by **Together for Inclusive Educational Systems (T.I.E.S.)** in partnership with the American University of Beirut (AUB). The opening ceremony of the two-day conference featured the amazing choir of the Lebanese School for Blind & Deaf. Finally, a diverse list of local and international keynote speakers contributed to the success of the conference.



c. Health & Well-Being Activities

Banque BEMO volunteers made a visit to the **Children's Cancer Center (CCCL)** aiming to spread joy and draw smiles on the faces of the children. A special and interactive magic show was organized followed by a Santa surprise visit.



d. Social Activities

Banque BEMO launched the **"Smiling Bank"** program in memory of late colleague Georgette Sarkissian and late Rita Maria Mikhael, daughter of our colleague Joseph Mikhael. The launching ceremony brought together the Bank's Chairman of the Board of Directors, the Vice Chairman and General Manager, and senior executives in the presence of the president and directors of both BASSMA and Jinishian Memorial Program whereby Banque BEMO supported the

scholarships of two young girls and supported the elderly care and underprivileged children by teaming up with both organizations. This program was announced by the Chairman of the Board of Directors during the 25th Anniversary Gala Dinner in July 2019.



e. Client-centric & Economic Growth Initiatives

The new **"Customer Support Center"** has been instituted as an optimal channel to provide support to our clients.

The Customer Support Center is at the heart of our customer centricity business model, and in line with our objective to ensure outstanding customer experience and quality of service to our clients.



07 | CSR Budget Breakdown

Banque BEMO launched the weekly **Crisis Management Round Tables** initiative, which aims to foster collaboration in times of crisis, brainstorm on the concerns, difficulties and challenges faced by the clients, prospects, and other external stakeholders, and turn them into opportunities and solutions to overcome the Crisis. A total of **29** crisis management round tables were held between October and March 2020 covering the following: Large Corporations; Educational Institutions; Private Professionals; Internal Audit; Insurance Companies; Medical Institutions; NGOs; Lebanese Art Market; Real Estate; Law Firms & Lebanese Industrialists. In addition, two special socio-economic gatherings were organized in the presence of the General Management.



In addition, Banque BEMO was honored to host **5** webinars as part of its **Crisis Management Webinar series**. The sessions focused on the “Economic Impact of COVID-19”; “Solutions to the Economic Crisis: The Next Gen Point of View”; “Cyprus – A Safe Business Hub for International Investors” and “Leveraging Technology in Times of Crisis” with prominent speakers who shared their experience and provided solutions.



07 | CSR Budget Breakdown

Dr. Riad Obegi represented Banque BEMO at the “**Forum des Experts Libanais**” at the National Assembly of Paris. Indeed, he was one of the guest speakers of the second round table that focused on the role of the Lebanese banks in reestablishing trust and renewal. Dr. Obegi spoke in favor of the revival of the economic activity by resuming bank loans. Despite the current difficulties, he had a positive and confident approach to the future of the Lebanese economy. Finally, he emphasized the importance of a liberal and humane system which, in his opinion, could make the difference, and above all would strengthen the ties with the Lebanese diaspora.



Task Force Post COVID-19 Business Model

At the request of the Board Steering Committee, a Task Force was assigned and chaired by our Chairman of the Board of Directors Dr. Riad Obegi and composed of: Mr. Gaby Frangieh, Deputy General Manager; Ms. Claudine Feghaly, Executive Director - Organization, Communication & Quality Management; Ms. Hala Nasr, Executive Director - Human Resources Management; Ms. Lina Ghantous, Senior Director - Corporate Banking and Ms. Maria Haraoui, Chief Risk Officer. The Task Force meets via zoom portal on weekly basis, and several projects have already been initiated in response to the above requirements.



The main responsibility of the Task Force is to Reimagine and Reform the business model at most levels, commercial, marketing and operational through a resilient and lenient organization, and come up with initiatives that answer to the concerns of the Board regarding,

- a) Providing assurance to employees and customers in these uncertain times, by being agile and flexible;
- b) Embracing change and being well prepared for the digital era and to post covid19 business model, by offering virtual services and being available to customers, and
- c) Reconfiguring the products and services and gaining market share.

Data Protection

Banque BEMO SAL having presence in Lebanon and Cyprus is committed to follow all applicable laws and regulations and highest standards in areas of privacy, security, transparency, accountability, and business ethics. Therefore, all employees of the Bank are expected to handle information with care and comply with the General Data Protection Regulation policy.

The primary goals of this policy are:

- To ensure that all employees/staff process personal data in full compliance with relevant laws and regulations
- To protect the Bank against personal data breaches or security breaches leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, personal data transmitted, stored or otherwise processed
- To ensure an adequate level of protection for all personal data processed within the Bank.



Relationships are Built. Trust is Earned

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