



COMMUNICATION ON PROGRESS 2020



COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



STATEMENT OF CONTINUED SUPPORT BY **CHIEF EXECUTIVE OFFICER**

May 25, 2021

To our stakeholders:

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

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

Sincerely yours,



Selim RF Hussain
Managing Director and CEO

Our Vision

BRAC Bank's vision is to build a profitable and socially responsible financial institution focused on markets and businesses demonstrating growth potential. Ultimately, this will assist in making an equitable, enlightened, healthy, democratic, and poverty-free Bangladesh a reality.





ABOUT BRAC BANK

BRAC Bank embarked on its unique journey in 2001 that would eventually become a momentous step in democratizing access to institutional finance amongst small businesses. Its visionary founder, the late Sir Fazle Hasan Abed KCMG, realized that though Bangladesh's small and medium enterprise (SME) businesses were generating growth and creating employment, yet they were overlooked by the traditional banking system as they did not fit the standard credit parameters.

Identifying the immense opportunity to get banking to the unbanked and a tremendous route to serve the nation, BRAC Bank stepped forward to help the SME entrepreneurs mobilize formal credit. At present, BRAC Bank's pioneering SME Finance practice is among the largest in the country, with its asset portfolio growing at a 24% CAGR over the past five years.

Today, BRAC Bank is one of the leading Bangladeshi Development finance institutions, aligning with its primary purpose of promoting economic development and advancing the growth of regional integration through finance. Our development position and strategy are aligned with Bangladesh's developmental objectives, the Sustainable Development Goals (SDGs). Our mandates, as well as to conduct, are guided by our value framework that emphasizes adherence to good behavior, ethics, and governance and stresses the facets of

performance, discipline, quality, innovation, and focus on continual learning.

BRAC Bank is also Bangladesh's sole representative in the Global Alliance for Banking on Values (GABV). GABV comprises 55 financial institutions and 12 strategic partners operating in countries across Asia, Africa, Australia, Latin America, North America, and Europe.

As a performance-driven bank, we believe we have a responsibility across our arch of influence – from the people we work with to the lives we touch. With such a legacy, BRAC Bank has today grown into a dominant player in the financial services industry of Bangladesh. It has 187 branches, 17 Premium Banking lounges, 372 ATMs, 89 CDMs, and 456 SME Unit Offices located across the country. With a team of 7,800+ employees, the bank caters to more than 1.07 million customers through its diverse range of banking solutions in the SME, retail, and wholesale sectors.

At BRAC Bank, our focus on sustainability is driven by our underlying emphasis on the 3P philosophy of – people, planet, and prosperity. Guided by the principles of this philosophy, our conduct is anchored on creating a holistic impact that benefits all constituents of our stakeholder ecosystem. As a mission-driven bank, we prefer to work for the welfare of our people and society.

RESPONDING TO COVID-19



Our mobilisation efforts

The COVID-19 pandemic has been unprecedented, changing our lives dramatically and drastically and affecting us in ways many of us could not have imagined. Despite a global paradigm shift due to the outbreak, BRAC Bank's commitment to providing bespoke solutions and excellent service to our clients remains unwavering. "Leading the Change" is our motto for our Annual Report 2020, reflecting our mind set since the onset of the pandemic, where smart, agile and adaptable thinking has allowed us to excel during this time, even as our external environment has faced massive disruption.

The pandemic has brought to the fore the urgent attention to future-proof the business against the three major threats of climate change, biodiversity loss and rampant exploitation of natural diseases. As COVID-19 has exposed, increasing forfeiture of biodiversity due to unchecked expansion of human activities has created man-animal conflict, thus increasing the risk of zoonotic

diseases like the novel coronavirus. It has indeed been a wake-up call for all of us and as a leading financial services institution of Bangladesh and a member of the Global Alliance for Banking on Values (GABV), we will continue to harvest responsible financial for sustainable society.

With a view to limit the economic damage inflicted by the coronavirus, the outbreak necessitated the Government to respond at unprecedented scale to not just protect public health, but livelihoods and the national economy too. Thus, as part of the recovery/rescue efforts, the country's central bank launched considerable fiscal stimulus packages in 2020, amounting to about 2.5% of the national GDP.

As a swift and effective re-pivot, BRAC Bank initiated a number of key measures in the shortest possible time to counter the threats of the pandemic, and one of the major initiatives in this regard comprised the constitution of four committees:

BRAC Bank's COVID-19 committee



Key safety measures embraced during COVID-19



Compulsory use of hand sanitizers for all employees



Disinfection of office premises and vehicles on a regular basis



Mandatory use of face masks across all BRAC Bank premises



Postponement of all domestic/international travel and internal events



Roster and work from home for 60 per cent of the bank's employees



Rigorous enforcement of social distancing across all branches



Infrared thermometer at entry point of head office and branches



Disinfection of shoes while entering office premises



Placement of plexiglass barriers between branch employees and customer



Provisions for wash basins for promoting regular hand washing



Special transportation arrangement for staff convenience and safety



Arrangement for overnight stay at guesthouse for staff residing far areas

Initiatives by Branch Banking:

We intended to reduce customer footfall in our branches and encourage them to use our alternate channels like Internet Banking for fund transfer, bill payments; ATMs for cash withdrawal; CDMs for cash deposits,

etc. We even increased the cash withdrawal limit for our customers so that it allows us to ensure health and safety at our branches for the customers as well as for our employees.

We kept our operations minimal during the government declared general holidays and kept several branches closed following directives and instructions of the central bank and local authorities.

Our website had to be updated regularly on which branches were open and which were closed. We also send frequent SMS notifications to our customers updating them on branches and encouraging them to use the alternate banking channels. We had also sent SMS on different health tips and the do's and don'ts.

We were one of the first few banks to ensure social distancing inside our branches through the marking of decals at appropriate distances. All our employees and customers had to wear a mask and sanitize hands for entering the branches and other premises. We also introduced doorstep services for the delivery of cards and documents of our customers.

To transform the business for adopting to “new normal” practices, we initiated a comprehensive Pandemic Management Strategy and BCP (business continuity plan) to ensure operational sustenance within the ambit of all health and safety guidelines.

We invested substantively in IT-based health

care measures and air filtration systems at the office premises. We launched an internal platform to accumulate data from each of our employees and support staffers regarding their health and track vulnerability whether they were exposed to or in contact with any COVID positive person at their home or neighborhood. It helped us to maintain a safe work environment for those who had to come to work physically.

Besides, we also enabled VPN connectivity for more than 1,000 employees. More than 50 per cent of our employees availed work from home facility. Employees were also engaged in rostering duty to ensure safety at work. They were also granted pandemic leave when required.



Customer Centricity

BRAC Bank has around 3.2 lakh customers across its retail, SME, and corporate banking functions. As a customer-centric bank, we ensured their comfort and convenience during the general holidays and beyond.

BRAC Bank was one of the first banks to offer a moratorium to the customers on all categories of loans. All the customers were

offered the voluntary moratorium via the 24/7 call centre as well as the sales, branch, and collection teams. We also offered customer queries related to loan services through our call centre and RLP. We also ensured urgent or severe loan-related customer services through special initiatives, including loan closure, etc.

For the credit cardholders, we enabled the facility to top-up their bKash wallet using their credit cards, rolled out emergency extra Travel Quota (TQ) endorsement facilities and facilitated additional contributions on top of donated amount to three charitable organizations. We also launched several campaigns to promote alternate payment channels and introduced cash-back campaigns to promote online transactions. We also activated 24/7 alternate credit card bill payment channels.

For deposit customers, we eased their banking needs by enabling FD/DPS closure requests from their registered emails to circumvent their branch visits and enabled dormant account activation through requests from registered emails.

We collaborated with multiple exchange houses to support non-resident Bangladeshis to send money conveniently to their home. We also gave them, stuck abroad due to lockdown, access to internet banking from abroad, and get the OTP on their international mobile numbers so that they can transfer funds back to home. We prioritized handling of all customer queries, sanction screening problems, and issues related to accounting credit. We also continued the facilitation of urgent loan-related customer service through special initiatives like loan closure.

For our premium banking customers, we shifted the traffic to alternate banking channels, especially our 24/7 call centre to avail premium access in the queuing facilities. We deployed an F1 services team to provide doorstep banking solutions (non-cash only) during transaction hours. We also designed an email-based BEFTN/RTGS

request execution mechanism for customers to avoid branch visits and deployed our premium banking staffers in branches comprising those scheduled to work as a replacement of BSSOs.

For our employee banking customers, we simplified the salary disbursement process and facilitated the salary disbursement to ensure faster credit into respective bank accounts.

Our women banking segment, TARA, had organized several webinars for the TARA customers to extend support to them with strategies for business realignment during peak pandemic. We also shared relevant articles, information, tips, and awareness messages with all TARA customers on precautions during the adverse situation due to COVID-19.

As a pioneer of SME Banking in Bangladesh, BRAC Bank has always been regarded as the most pro-SME bank in the country. As so, we extended full support to our SME customers, especially with regards to the stimulus packages declared by the government.

BRAC Bank was one of the three banks to have completed the disbursement process of the BDT 200 billion stimulus fund for the cottage, micro, small and medium enterprises (CMSMEs). We disbursed BDT 11.85 billion to 12,669 CMSMEs across the country. It took only six months for BRAC Bank to complete the massive disbursement target of BDT 11 billion.

Considering the performance, Bangladesh Bank had allotted an additional BDT 2 billion to BRAC Bank for disbursement.

Contributing to the society to fight the COVID-19 outbreak

The year 2020 was extraordinary for everyone. The outbreak of COVID-19 turned our world upside down. People and society experienced things they have never encountered in years. As a values-based Bangladeshi bank, BRAC Bank stood by the people in many forms to help the nation fight against the outbreak of COVID-19.

From the very initial days of the COVID-19 outbreak, we started communicating with our customers and employees on ways to prevent the spread of coronavirus. We also took safety measures for both customers and employees in the limited number of branches out of the 187 branches. We proactively reduced customer footfall at our branches to comply with the directives of Bangladesh Bank. We also ensured enough cash in all our ATMs across the country and encouraged customers to avoid coming to branches and use our alternate banking channels.

We contributed BDT 50 million to the Prime Minister's Relief and Welfare fund to overcome the situation of potential coronavirus pandemic.

Our employees also joined the fight against COVID-19 and made a financial contribution of BDT 17.3 million from their salary of April 2020 to BRAC's "COVID-19: Emergency food assistance" fund that provided food assistance to daily wage earners and the ultra-poor across the country.

We contributed BDT 5 million to Bidyanondo Foundation that provided food to around 10,500 families in remote locations across the country. A family of five got food supply for at least 10 days through this initiative. To engage our customers, we announced to add 10 per cent (maximum of taka 1,000) for every donation made by our credit

cardholders to Bidyanondo Foundation using BRAC Bank credit card.

We also contributed 6,000 sets of CE-certified Personal Protective Equipment (PPEs) to Bangabandhu Sheikh Mujib Medical University.

We gave 6,000 pieces of N95 masks to Dhaka Medical College Hospital, around 1,000 pieces of imported face shields to the Dhaka Metropolitan Police, and safety equipment including reusable PPEs, masks, hand sanitizers, and disinfected spray machines to Rangpur City Corporation.

We provided a specialized freezing van to Anjuman Mufidul Islam, a voluntary non-profit organization, for the safe handling of bodies of the deceased persons with suspected or confirmed COVID-19, and 200 sets of PPEs for the Anjuman staff who were engaged in the burial process.

These were part of the bank's efforts to protect the country's brave frontline health workers fighting the COVID-19 pandemic at the initial stage of the coronavirus outbreak when there was an insufficiency of protective gear in the market.

BRAC Bank also contributed 1,045 blankets to Muktijoddha Sangsad in Fulbari, Dinajpur, and Jamia Madania Sunni Dakhil Madrassa in Brahmanbaria.

Our women banking solution, TARA, introduced a special campaign on digital healthcare for its TARA customers. Under the campaign, a TARA customer could avail of the TARA digital healthcare package free of cost for 12 months upon opening a TARA Flexi DPS.



DESCRIPTION OF ACTIONS

Corporate citizenship

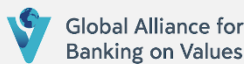
The interconnectedness between a healthy natural world and a prosperous society was thrown into sharp focus in 2020 by the novel coronavirus (COVID-19) pandemic. Thus, by protecting nature and improving health and livelihoods, we believe we will have a positive impact on the planet, on people and, ultimately, on our own business.

Tackling climate change, public health and social inequality have long been at the heart of BRAC Bank's sustainability and citizenship

agenda. That's the reason why we have set ambitious new targets for improving the health of our planet and contributing to a fairer and more socially-inclusive world through responsible finance. And we're encouraging others such as our business partners and customers to take bold and undaunted steps, since only through working together can we make sustainable living more commonplace. As a bank we believe we owe a green, clean and thriving natural environment to our future generations.



We embrace the principles of:



At BRAC Bank, corporate social responsibility (CSR) and citizenship is embedded deep in our value system. Our focus on people and planet go hand-in-hand in our pursuit of a commercial profit. Late Sir Fazle Hasan Abed, KCMG, founded the bank with a vision of financial inclusion; of bringing the unbanked grassroots, especially the SMEs, into the formal folds of banking to transform

lives and livelihoods. Through his vision and focus he pioneered the establishment of a commercial institution with a social inclusion agenda, and thus BRAC Bank today remains as a deeply public-facing bank that embodies and advances the socio-commercial aspirations of the people of the country.

BRAC Bank's underlying citizenship focus is aligned with the '3Ps' (People, Planet, Profit) philosophy, which is enshrined in the vision articulated by our late founder Chairman and instilled in everyone across the organisation. Thus, our commitment to sustainability and ownership of the social transformation manifesto is premised in the knowledge that economically, environmentally and socially responsible business practices are imperative to the long-term well-being of our stakeholders and our business. In line with our deep focus on embracing a humanistic approach in banking, our efforts to instil sustainability into our business are guided by the needs of those we serve, including our customers, our environment, our workforce and our community.

Our CSR strategy thus reflects our broader purpose of sustainable development of our society and our stakeholders, which means having policies and procedures in place that integrate social, environmental, ethical, human rights and even consumer concerns woven into the fabric of our business operations and core strategy, all in well-knit collaboration with our stakeholders. Committed to embracing the best practices in institutional citizenship, we also abide by the Bangladesh Bank guidelines to allocate our CSR investments into areas where we can have a deeper, more meaningful and longer-lasting impact, including health, education and climate change, etc.

At the bank, our overall aim under CSR is to achieve a positive and enduring impact on society as a whole, while maximising shared value creation for stakeholders associated both directly and indirectly with the bank. We thus prioritise a long-term focus with medium-term pursuits, looking at fostering a sustainable impact on the people and society.





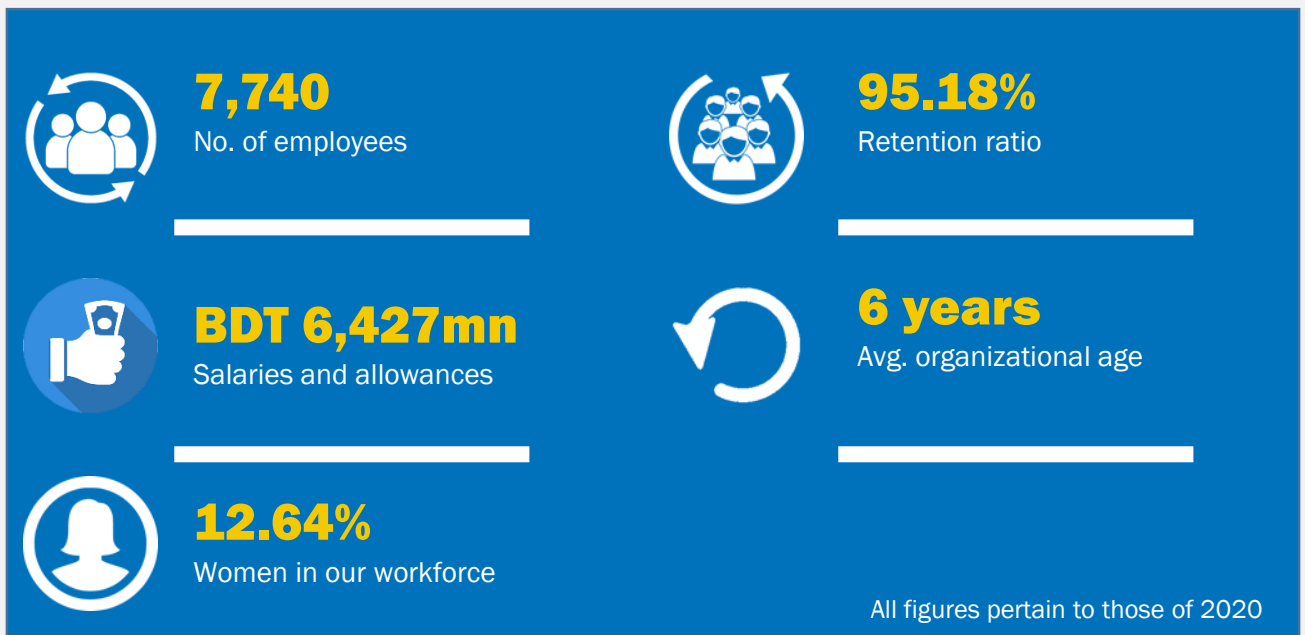
HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: make sure that they are not complicit in human rights abuses.

BRAC Bank is fully committed to upholding the principles of human rights through its business activities and services. Through rigorous due diligence, we pledge to avoid infringing the rights of others, and to take steps to avoid negative human rights impact resulting from our work. This includes taking steps towards respect, protection and

fulfilment for such rights as effective elimination of child labor and modern slavery; elimination of all forms of racial and gender discrimination; and the realization of a workplace which positively empowers its employees and people of the broader world without discrimination on the basis of gender, physical ability.



At BRAC Bank, our human resources objective is to support and drive a high-performance culture leading to better business outcomes delivered by a cadre of truly engaged employees. We also foster an inclusive working environment, anchored on fairness and meritocracy, adhering to the internationally proclaimed human rights.

Our human resources strategy continues to focus on core human capital priorities, supporting business in response to a challenging environment of increasing competition, cost pressure, digital transformation and regulatory compliance. The aim is to create an environment that

meets the requirements of our local customers.

Further, we have implemented best-in-class talent development programmes and platforms for high potential co-workers. We also encourage self and external learning to foster excellence in innovation, talent and performance.

We have in place a ‘SHE Policy’ (Sexual Harassment Eradication) that ensures that our employees have the right to protect themselves from inappropriate behaviors and that they may raise flag at any discrepancies or violation of rights.

Our 'Code of Conduct' is an all-embracing guideline for the employees that helps them to understand the fundamental conducts of the workplace and to differentiate between what is "ACCEPTABLE" and what is "NOT". Moreover, that Code of Conduct is signed by the employees to ensure that they are abiding by the bank's norms and standards.

We also have in place an E&S safeguard policy as well as a credit policy that includes an exclusion. According to that exclusion list, financing in racist and anti-democratic media activities, production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements etc. are strongly prohibited.

Our CSR programmes ensures that we invest heavily in areas to promote human rights, such as health and education. We are committed to achieving accelerated economic growth in Bangladesh, especially

During the pandemic, we ensured that our employees can work from home or in roster. We regularly communicated with them on the 'dos' and 'don'ts' developed and guided by BRAC to prevent rumors, ignorance and misconceptions that would derail the fight against coronavirus.

after the coronavirus pandemic has upended lives and livelihoods on a mass scale. We believe banking remains key to stimulate economic activity, job creation and small business empowerment, while also uphold human rights through helping raise the standards of living amongst marginalized communities.

Our CSR investment approach is linked to our aspiration of developing high-impact social programs that upholds human rights standards. As one of the largest financial institutions of Bangladesh, we deploy our resources to make a difference to the communities in which we operate, both through our institutional capabilities as well as by encouraging our employees to volunteer their time, skills, ideas and efforts across our social service activities. Importantly, our social investments prioritize long-term projects that have alignment with the SDGs and also guidelines from our central bank.

We support BRAC Limb and Brace Centre (BLBC) to provide artificial limbs to the underprivileged, free of charge. In 2020, BRAC Bank contributed BDT 1 million that assisted BLBC to support 189 physically-challenged people with appropriate appliances and training.

We also contributed 50,000 pieces of blankets to the Prime Minister's Relief and Welfare Fund in 2020 for the underprivileged across the country for ensuring good health during winter.

Every year, we organize a fundraiser marathon for humanity and to promote good health. Our employees contribute in this fund, raising charity where the bank makes an equal contribution to double the fund value. In 2020, the marathon, dubbed 'Dour', was organized in February before the country was hit by the novel coronavirus.

For Dour 2020, employees raised a fund of BDT 3.45 million and the bank doubled it to BDT 6.9 million by contributing an equal amount from its CSR Fund.

The entire fund was donated to charitable organizations working for social welfare. The organizations that received the funds were Sufia Khatun Foundation, Kidney Foundation Sylhet, Society for Welfare of Autistic Children, Kristi, Deepshikha School, Spreeha Bangladesh Foundation, Moyeen Foundation, Changing Diabetes in Children (CDIC) Programme of BIRDEM Hospital, and Child and Old Age Care.

We provided financial assistance of BDT 1.2 million to support the underprivileged children of Mama Bari Trust in 2019-20 to

address Zero Hunger, Quality Education, Reduced Inequality, and Good Health And Wellbeing.

We were honored to have provided financial support to Taramon Bibi, Bir Protik. She lived a life of infamy, having to fight against poverty for her survival in her liberated homeland despite being a freedom fighter.

BRAC Bank was committed to give her a monthly allowance to support her for the rest of life. Sadly, the noble freedom fighter passed away on December 01, 2018. As per her request, BRAC Bank continued to provide monthly financial assistance to her husband, Abdul Mozid till his death in August 2020.

Giving back to the society through education

Education forms the foundation of a nation. We prioritize education, aligned with our vision of literacy and education-driven awareness among the masses. We aim to extend support to educational initiatives in order to realize the potential of students with exceptional intellect on a meritocratic basis. We have invested over 40 per cent of our CSR budget in education alone over the last few years.

The BRAC Bank-Prothom Alo Trust Adanya Medhabi Scholarship was introduced in 2010 to assist meritorious students of financially-challenged families to fulfill their pursuit of higher education. Every year, 50 meritorious students from disadvantaged families who achieve GPA 5 at SSC-level are accepted into the programme. Changing lives of nearly 1,000 students over the past 10 years, a total of 212 students received the scholarship in 2020.

The University of Dhaka is the oldest and amongst the top-notch learning institutions

in Bangladesh. As a public educational institution, the university provides affordable and accessible higher education to students. Yet, several financially-challenged students find it difficult to pursue education at the university. In 2020, BRAC Bank provided scholarships to 250 students to enable them to pursue higher studies at the university. Hailing from remote and often underprivileged parts of the country, these students regard the scholarship as a tremendous enabler and even a lifeline for them to fulfil their aspirations in learning and, eventually, for a better life.

We also provide financial support to meritorious students from financially-challenged circumstances to enable them to pursue higher education at BRAC University. Each year, 10 undergraduate students avail of this scholarship programme that covers the full spectrum of their requirements – from tuition fees to living expenses. The programme duration comprises a period of four years.

LABOUR RIGHTS

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

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labour;

Principle 6: the elimination of discrimination in respect of employment and occupation.

As part of our ethical business practices, we continuously encourage our employees and work towards creating a healthy, ethical, supportive and collaborative work environment for our employees to realize their full potential - both professionally and personally as well as discouraging labor malpractice including child labor and forced labor while financing any. In this regard, the policies and strategies are in place to support labor related to UNGC principles.

Our Credit Policy has an exclusion list that supports prohibition of financing in activities related to forced labor or child labor. In both cases, BRAC Bank follows local laws/regulations as well as the defined issues as addressed by the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2).

Our Environmental & Social Safeguard Policy 2019 endorses UNGC principle for labor standard and accordingly ensures any grievance mechanism for both internal and external stakeholders.

We believe that ensuring the occupational health and workplace safety of our employees, visitors, service users and all relevant persons is the key essential to its motto: people, planet and prosperity. Hence, a Fire Safety Management Plan has been created to ensure a safe and healthy working environment for all.

Our procurement policy provides the utmost transparency while selecting or engaging with third parties/suppliers for business purposes.

Our HR Policy enables us in conducting in-house operations in harmony with appropriate environment for our employees and propagate a culture in which our employees are deeply aware of the

importance of effective recognition of the rights, prohibition of forced labor etc. They are major part of the policy that includes following fundamental sections like no forced or child labor, leave management, bonus, staff loan for house or transport, end of service bonus etc.

In addition to monetary compensation, health and other benefits are also available to our employees and their family members to confirm a better lifestyle.

Our talent acquisition strategy continues to recruit individuals who demonstrate the right skills and behavior. Correct attitude and aptitude are of prime importance that enables us to hire the best talent who eventually enrich our human capital and achieve Bank's goal. Once recruited every opportunity is given to employees to succeed and build a long-term career in one of the largest financial institutions of the country.

Our compensation system is designed to reflect competitive and fair remuneration packages for our employees who deliver the vision, strategy and expectations set by the Board. Thus, we seek to foster a culture that champions performance and creates a linkage between merit and pay.

Our new Performance Management System (PMS) ensures that our performance evaluation is based on business delivery as well as on behavioral competencies aligned with our core values and does not discriminate among the employees.

As part of E&S due diligence while financing, loan files above a given threshold set by the central bank must go through rigorous scrutiny. One of the integral parts of this due diligence is to check client's compliance with labor and working condition. That's how at the client level we ensure that they are well compliant with labor standards and working conditions as prescribed by local laws/regulations.

The Sustainable Finance Unit of the bank also monitors and visits the client premises as part of environmental and social due diligence to oversee clients stand against force labor or child labor.

Our Credit inspection team, a separate and independent team, also undertakes random visits to the client to ensure clients adherence with occupational health and safety standards.

We do not ignore, nor will tolerate harassment or discrimination on account of race, age, sex, religion, national origin, or disability of any employee by another person in the workplace. An employee who experiences harassment or discrimination can always escalate the matter to appropriate authority for action.

Training sessions on "Diversity, Gender and Sexual Harassment" has been adopted as mandatory session for all our employees.

For internal monitoring of the employee satisfaction against working condition, human resource departments collect employee feedback on the understanding of the HR policy and views on its effectiveness through quick survey which gives valued feedback on the matter.

The rights, obligations, and fringe benefits of the employees are well articulated in the appointment letter, wherein the entire terms

and conditions for employment are also specified.

All our employees are entitled to avail leave for any emergency and casualties as per the bank's policy. With a provision of Leave Fair Assistance (LFA), as per the guideline of Bangladesh Bank. All the employees are covered under medical insurance scheme. Dedicated clinical officers are there to provide instant medical support. We also organize periodical fire drills to educate our employees.



During the challenging period of the pandemic, we invoked the tenets of our Business Continuity Plan, which has helped us to continue functioning in the "new normal". We learnt along the way, navigating through the uncertainty with just one objective in mind: to serve our stakeholders in the best possible way.

To realize this aim, we focused on maximizing efficiency and productivity while working from home, ensuring that we meet daily targets while enhancing collaboration with our colleagues and sharing updates through ongoing communication. We also utilized the opportunity to equip our employees to prepare for the post-pandemic world through e-learning programmes.

In 2020, we have invested 204,805 man-hour for 655 training programmes for our employees.



ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

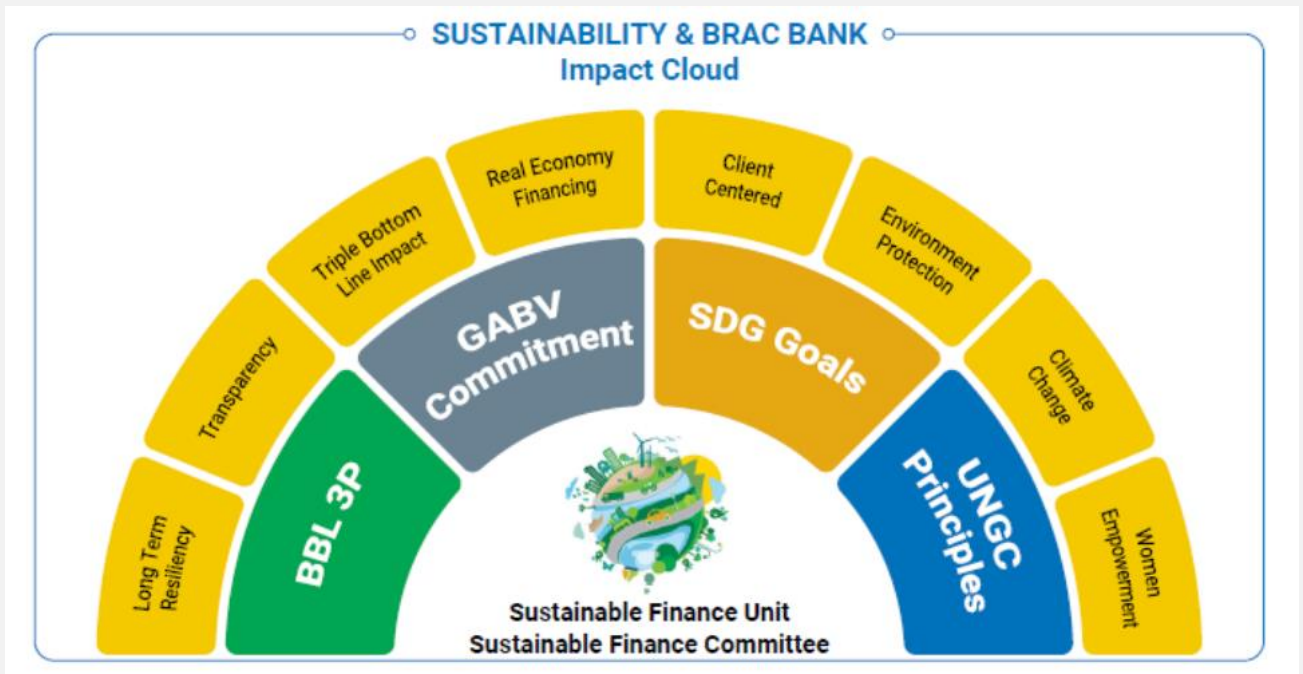
Rooted in its 3P or “People-Planet-Prosperity” philosophy, BRAC Bank has pioneered responsible and sustainable finance. The bank’s values-based ethos and spirit of integrity embody its deep focus on environment as well as sustainable finance. Central to this is the bank’s versatile Sustainable Finance Unit (SFU), housed under the Supervision of Sustainable Finance Committee (SFC), committed to expand and enhance the green credentials of the bank and contribute to Bangladesh’s SDG vision and efforts of attainment of goals through green, sustainable and responsible finance.

BRAC Bank has embraced guidelines for environmental risk management and green banking under the indicative measures set by Bangladesh Bank. In doing so, it develops inclusive banking strategies to ensure sustainable economic development and promotion of environmental-friendly

practices. By implementing the all-encompassing ‘3P’ philosophy, BRAC Bank emphasizes on the need to quantify value that transcends financial outcomes and is rather anchored on the positive impact created across the economic, social and environmental spectrum.

In the pursuit of environmental and social initiatives and integration of these considerations into the bank’s product design, strategic planning and policies, SFU is the heart of BRAC Bank’s sustainability framework and is focused on extending its positive arch of influence across the country, covering various stakeholders.

Adhering to the terms of reference laid out by Bangladesh Bank, the bank’s SFC, constituted by the senior management, serves as the apex authority, holistically supervising the bank’s sustainability activities under Board stewardship.

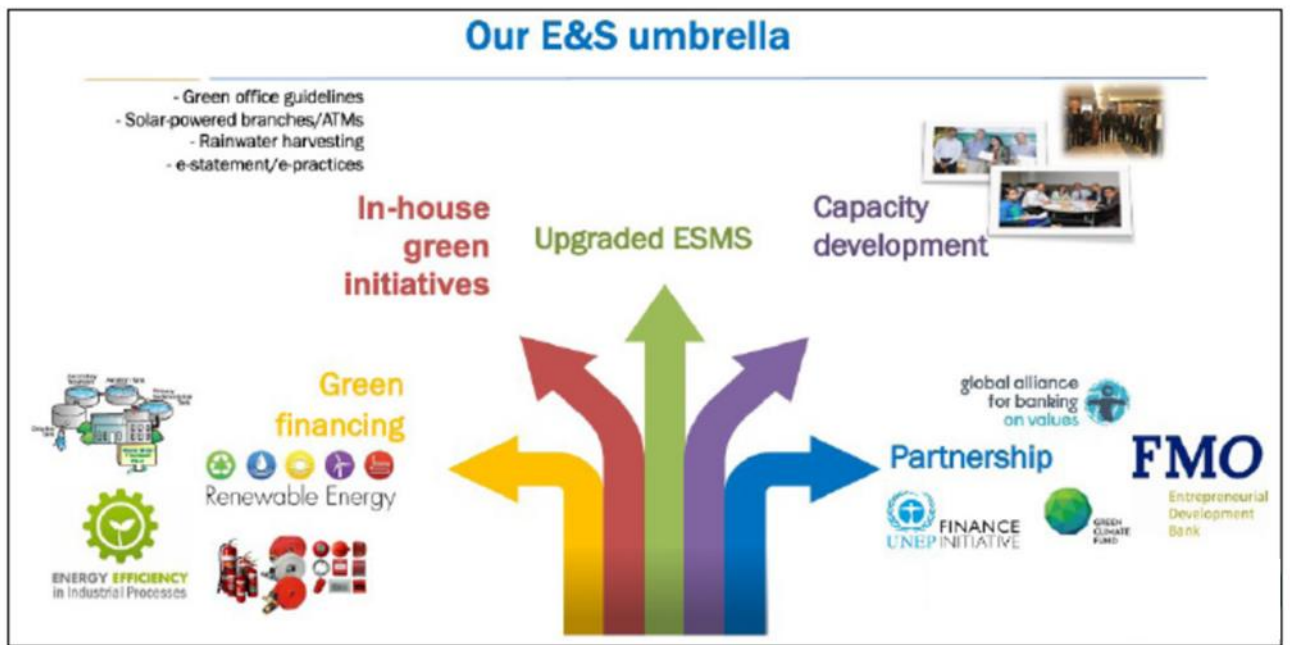


Fronted by the bank’s vision and being committed to our 3P philosophy, we are focused on promoting responsible and sustainable banking across the real economy of Bangladesh. This is evidently manifest in BRAC Bank being one of the few

financial institutions in the country to have adopted the guiding principles of Bangladesh Bank’s revolutionary guidelines on green banking, way back in September 2013.

Committed to its purpose, the unit has been growing ever since its establishment and achieving sound diversification, in line with Bangladesh Bank's SFD Circular No. 02:

Formation and Formulation of Terms of Reference of Sustainable Finance Division in Banks and Financial Institutions, dated December 12, 2016.



BRAC Bank endorses the principles of sustainable banking, enshrined in its commitment to harness finance to deliver economic, social and environmental progress, and the year 2020 was no different, despite the year being marred by the coronavirus pandemic.

The bank provided finance under its unique Sustainable Finance product umbrella "Planet solution" to clients desirous of embracing environmental-friendly technological upgradations and digital transformation within their factories, thus contributing to the circle of positivity by actively addressing climate risks.



BRAC Bank complies with all local laws/regulations, central bank's regulatory compliances for E&S issues, as well as international best practices, like IFC performance standards and UNGC principles.

BRAC Bank's Environmental & Social Safeguard Policy represents the bank's comprehensive E&S umbrella meeting regulatory requirements, stakeholder compliance and voluntary commitments in environmental and social best practices. These policy-centric guidelines are established by the Board and designed to meet the organizational requirements regarding Environmental & Social Management System (ESMS) that ensure proper framework and in-house capacity to

identify E&S risks associated with our clients and monitor risk mitigation plans in accordance with their respective risk grades. To enhance the capacity and supervision of E&S risks, the SFU team regularly participated in various capacity building sessions, seminars and workshops, while also conducting in-house sessions for business RMs/credit officers for enhancing capacity and knowhow while engaging with E&S issues.

PROJECT O₂XYGEN

শক্ত করি
বাংলাদেশ

৪ঠা সেপ্টেম্বর

নদীর বাঁধ ভেঙেছে হয়ত... কিন্তু তারন্যের নয়

In 2020, BRAC Bank joined the green action of 'Project Oxygen', a team of three voluntary development organizations engaged in tree plantation activities in the cyclone Amphan-affected coastal areas.

Project Oxygen was a crowd-funded project

initiated by the BANDHU Foundation of Bangladesh, Give Bangladesh and Aamrai Bangladesh. Together, they planted 49,000 trees in 49 minutes in the Amphan-affected areas of Koyra Upazila in Khulna and also commemorated the 49th year of the country's independence.



Koyra Upazila lost about 40,000 trees due to cyclone Amphan in May 2020. The trees led to reforestation of that area, lending crucial support to the Sundarbans in withstanding future natural disasters.

The project team planted locally-accepted

species of trees across seven unions of Koyra Upazila. The list of trees included 20,500 Shirish, 16,500 Lombu, 2,000 Guava, 2,500 Wood Apple, 5,000 Sobeda (Sofeda), 2,000 Tamarind, 500 Krishnachura, 500 Bokul, 1,000 Amla (Amalaki) and 3,000 Tala Palm (Taal).

BRAC Bank
contributed
5,000 trees
in this green cover
expansion initiative.

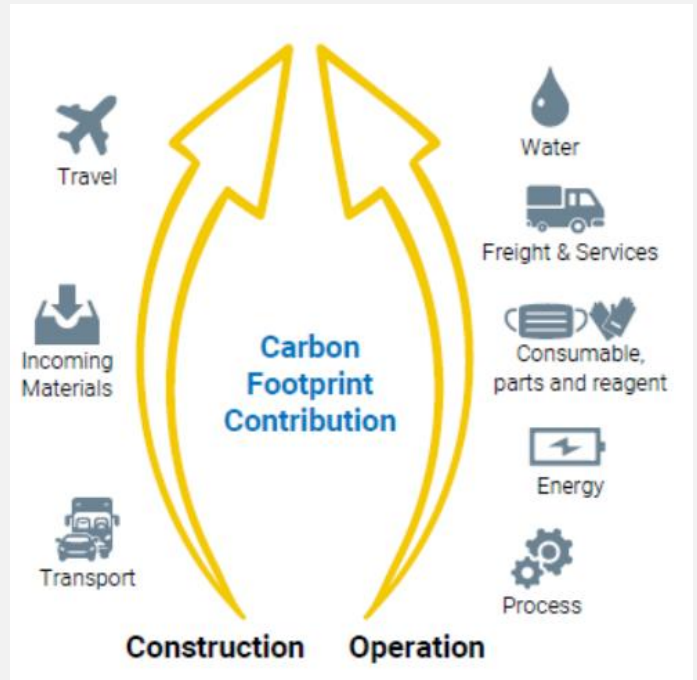
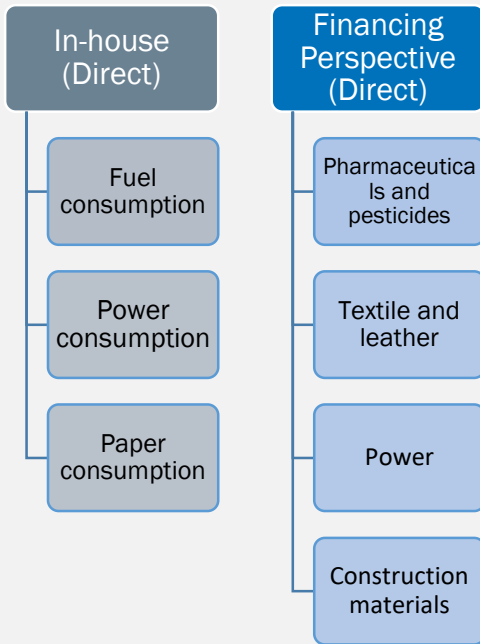


Carbon footprint minimization

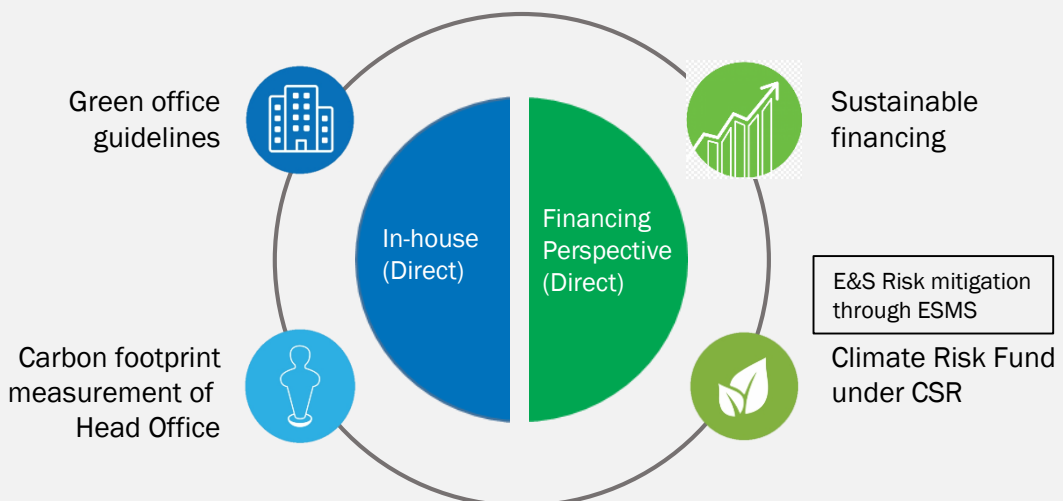
As a responsible bank rooted in sustainability, BRAC Bank recognizes the impact of its activities on the planet. With this awareness, the bank is focused on promoting sustainable financing and

increasing efforts in adopting eco-responsible initiatives by exploring more green alternatives in parts of its organizational framework.

Key sources of the bank's carbon emissions



Our response to minimize our carbon footprint



We signed an agreement with Future Carbon Ltd, a leading environmental consultancy firm in Bangladesh, in 2020 as part of our sustainability strategy. Under this agreement, Future Carbon will assist the

bank to adopt an energy-efficient and carbon-neutral strategy for its in-house operations, thus advancing the organization's vision of emerging as the most sustainable bank of Bangladesh.



Some of the other key initiatives in 2020 comprised the following:

- We have established Green Office Guidelines as part of our comprehensive Environmental & Social Safeguard Policy.
- We have ensured lower use of paper, especially in marketing materials and in-house activities.
- During the year, we had BDT 441 per employee paper consumption, which we aim to reduce in the coming years.
- We encourage the use of mobile banking

or internet banking. As of December 31, 2020, we had 226,826 internet banking users.

- We designed an email-based BEFTN and RTGS request execution mechanism to ensure less paper consumption
- We promoted the use of renewable energy within the organizational framework, with 18 branches and 2 ATM booths powered by solar energy.
- We installed LED lights for optimizing the electricity consumption.

Forward outlook

Climate change is real and so is the threat to the environment, as amply evident by the coronavirus pandemic. Being increasingly cognizant of the calamitous effects of climate change, relentless efforts are being made across the globe to measure and mitigate climate change-related risks. To contribute to these global efforts, BRAC

Bank has pledged to reduce its carbon emissions, particularly through responsible and sustainable finance. With a deep commitment to its sustainability vision, the bank aims to soon become fully paperless, while advancing towards becoming the leading sustainable bank of the country.



ANTICORRUPTION

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

“For stewarding strategic progress through strong governance, the Board will continue to ensure that the business as a whole is aligned with best practices in governance and that our approach to disclosure remains understandable and transparent.”

Dr Ahsan H Mansur, Chairman

At BRAC Bank, we are committed to fostering an effective governance framework through our policies and procedures in support of the bank’s core values that underpins our ability to set the overall strategic direction of the bank.

The Board is primarily responsible for the bank’s strategic and annual plans for business performance, overseeing the proper conduct of business, talent and succession planning of key management, risk management, shareholders’ communication, internal controls, management information systems and relevant statutory matters. The management is accountable for the execution of expressed policies and attainment of the bank’s corporate objectives.

The functions of our Board and the management are clearly defined and demarcated to ensure the effectiveness of the bank’s business and its day-to-day operations. The Board approves the corporate governance procedures and practices adopted by the bank to embed

best practices within the organization, including where specific authorities of the Board are delegated to the relevant Board Committees, as well as to the MD/CEO.

During the year, we also ensured that our efforts in anti-corruption and anti-money laundering remain unabated, while promoting daily operational integrity amongst our employees. Moreover, a corruption-free pledge has served to uphold the organization’s ethical behavioral standards to further strengthen control measures across the bank and its subsidiaries.

BRAC Bank is fully committed to anti-corruption principle of the UN Global Compact. We recognize our obligation to join governments, international organizations and other financial services organizations to close financial channels used by money launderers and terrorist organizations. We consider practicing anti-corruption as an integral part of our management strategy, rather than a mere legislative requirement. We are fully committed to preventing corruption, extortion and bribery.

Whistleblower policy

There is no regulation or guidelines in the financial services industry about encouraging and protecting whistleblowers. However, BRAC Bank always embraces excellence in governance and encourages employees to raise a red flag in the event of coming across any sort of wrongdoing. This includes senior managers and certification regime, which is aimed at improving individual accountability within the financial services industry.

Our HR policy clearly states zero tolerance approach against employee if he/she is involved with any sort of corruption, bribery etc. resulting immediate termination and even handover to the law enforcing authority if needed.

We have comprehensive policies on “Money Laundering Prevention”, “Combating Financing of Terrorism”, and “Know Your Customer” that has been approved by our Board of Directors. We have a full-fledged department to address Anti-money Laundering (AML) agenda with adequate staff having a adequate experience in the relevant field. We follow a stringent Know-

Your-Customer Process and Contact Point Verification to combat any adversity.

AML-CFT training is a regulatory requirement mandated by Bangladesh Bank. It is mandatory for new recruits to attend it during the orientation program. BRAC Bank employees also participate in various AML-CFT and compliance-related refreshers round the year facilitated by internal and external resources.

In 2020 a total of 6,238 participants attended different learning programs under various topics of AML, ensuring regulatory compliance.



AML-CFT training for new joiners is a mandatory regulatory requirement. Here is a photo of our Young professionals' (2nd batch) in their orientation programme where they also had an AML-CFT training.

At BRAC Bank, our ethics, values and code of conduct are aligned with globally-recognized anti-corruption and anti-fraud principles and benchmark corporate governance practices. These support us in our quest to doing business purposefully and in the right way and also helps us to build holistic stakeholder trust. Particularly, our employee training and engagement programmes place rigorous emphasis on assessing how they interact and engage with our clients and customers. This is in line with our ethics and values, which ultimately influences how our

employees are assessed with respect to the key performance indicators (KPIs) and eventually rewarded.

It is true that ultimately, our financial and ESG performance rests on good governance. To ensure the best governance practices, we continuously review and update our policies.

In 2020, we continued to strengthen our anti-bribery and corruption policy, whistleblower policy, etc., to prevent any malfeasance or defalcation.

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annual report 2020

 **BRAC BANK**
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LEADING THE CHANGE



To learn more about BRAC Bank and its performance in the year 2020:
Visit: https://www.bracbank.com/financialstatement/BRAC_AR_2020.pdf

Or scan the QR code
And download our Annual Report 2020.