

The past two years 2020 and 2021 proved extremely difficult years on both the economic and social levels, compounded with the outbreak of the COVID-19 pandemic bringing significant challenges to individuals, businesses and societies. The economic crisis inflicted severe damages and problems on national economies, businesses and societies as a whole. The deepening recession and the dramatic rise in unemployment have put a severe strain on social cohesion.

Throughout this unprecedented ordeal for our economy and society, we, at Fransabank raise to this challenge and have been dedicating our entire infrastructure to overcome these circumstances and reduce the economic and social consequences of the crisis towards our stakeholders.

Despite the climate of extreme uncertainty that prevailed in the years 2020 and 2021, our bank has initiated a range of initiatives to protect and support customers, employees and stakeholders to help mitigate the financial consequences of the economic crisis and coronavirus pandemic.

The application of corporate responsibility in our business practices has always been a core value for our bank. It is a strategic pillar within the context of our long-term strategy to achieve sustainable growth for the organization and the community at large.

We decided to publish a small report on Fransabank CSR initiatives that were achieved in 2020 and 2021, as part of our commitment to maintain our Corporate Social Responsibility tradition and stand by our institutional role.

Key highlights of our role in the community in the said years are listed here below:

### **Supporting our customers**

We worked on providing, within the scope of our available resources, the best possible assistance to cover customers' needs and concerns especially with the imposed limitations due to the crisis. Thus:

- We have been actively engaging with clients to understand their challenges and find solutions to their wants in this difficult period.
- We supported Corporate and SME clients who are struggling with the crisis consequences with the re-scheduling, on favorable terms, of their debts towards the bank
- We supported hundreds of households in their efforts to meet their debt obligations, as they seek to deal with the difficulties arising from reduced incomes and unemployment.
- As part of our commitment to improve financial accessibility and inclusion in rural areas, we were keen on securing, on daily basis, liquidity availability in these areas via our ATMs and branches.
- Through our Financial Consumer Protection department and the Bank's call center, we provided information and clarifications with respect to banking services and products offered. In addition, an effective mechanism was established to immediately investigate customer concerns in order to receive the appropriate responses or clarifications promptly.
- Our branches and call center teams were serving clients with poise, professionalism and empathy to help them navigate the hardships of this challenging situation.
- All new cards issued were deployed with biometrics to facilitate contactless payments and help protect customers against COVID-19 pandemic.

### **Meeting our customers digitally**

Digital customer behavior was accelerated by the COVID-19 pandemic resulting from the closure of our branches and most meetings or requests were achieved online. Our numerous digital solutions proved to be indispensable in upholding good customer relationships during the pandemic, allowing us to be accessible and proactive despite physical restrictions. Accordingly, we strengthened our digital capabilities to cater for our clients' needs effectively by developing new functions and introducing new applications.

### **Maintaining high cyber resilience to protect customer data and services**

The COVID-19 pandemic resulted in a number of our employees working remotely, in order to continue servicing customers. Accordingly, we had continuously been assessing the risks and introduced remediation activities. This included technical and organizational controls, as well as an increased focus on security awareness and training for selected employees.

### **Decreasing our internal environmental footprints**

Fransabank is committed to sustaining the transition to a low carbon economy, and helping our customers and communities become more resilient in the face of a changing climate by collaborating with leading institutions to drive climate solutions. To this end, we embedded sustainability through our business and consistently minimized our internal environmental footprint generated because of our operations and business activity.

### **Supporting our employees & ensuring business continuity**

Our Chairmen were keen on reassuring employees stressing over work by providing them with moral support and emphasizing that their health and well-being are a top priority for the bank. Accordingly, we monitored and enhanced working conditions by ensuring a safe working environment and by implementing safety measures. Thus,

- A comprehensive action plan was put in place and a designated team was mandated to prevent service disruption and sustain the operations.
- A dedicated team devised a pandemic escalation plan with clearly defined steps to maintain critical processes during country lockdown.
- More than hundreds of employees worked from home during the lockdown periods, enabling customer dialogues through online meetings and other digital communications. Our employees exerted all necessary efforts to achieve what was important at that time: staying safe and delivering the standardized customer service, while respecting the impending restrictions.
- All physical meetings with different stakeholders were halted and so resorted instead to virtual meetings.
- Gradual return to the workplace was achieved with safety measures and abiding by social distancing rules. Branches and departments had special business hours; employees' shifts were adapted to safety measures. Signs were posted across the headquarters and branches requiring mandatory face masks at all times.
- A minimum physical contact was observed within the premises starting by turning off all the punching machines and allowing a maximum of four persons in the elevators.
- For essential in person trainings, it was ensured that social distancing norms were respected.
- An HR team was chosen to provide the needed information regarding COVID-19. Whenever an employee was being reported COVID-19 positive, he or she and all other staff that had been in direct contact were sent home for self-quarantine, and were required to take the PCR test as per the Ministry of Health recommendations.
- Creation of a special COVID-19 medical office that carried out rapid tests to employees for the detection of the virus.
- 484 employees were offered vaccination against COVID-19 through the bank at end of year 2021.

- Periodical COVID-19 awareness emails were sent to all staff members through the intranet to cope with the pandemic.
- Supply all the bank's departments and branches with antiseptic liquids for hands disinfection and thermometers.

In doing so, we protected our employees and our wider community while meeting clients' needs in accordance with the guidance and actions of relevant authorities.

## Case Study

### **DEG and Fransabank Collaboration through the "Beirut Support Fund"**

#### **Responding to the Disaster of Beirut Port Explosion on the 4<sup>th</sup> of August 2020**

DEG financial commitments in emerging-markets and developing countries is to help the local private sector to become the engine for sustainable economic, social and ecological development. DEG aims to support these effects with their "Business Support Service" financed by the Federal Ministry for Economic Cooperation and Development in order to promote efforts of the private sector in excess of a normal entrepreneurial commitment.

Following the devastating blast of the Port of Beirut on 4 August 2020, Fransabank concluded with DEG a "Contract of Performance" by virtue of which the said institution provided a grant to our bank, and the bank in return equally contributed with the same amount of the grant. This collective grant supported and assisted financially our employees and their family members who suffered from severe damages at their homes and premises because of the blast.

Our bank was concerned about its employees residing in the devastated areas and the impact the explosion had on their homes. It has responded to the massive explosion and destruction whereby dozens of employees were directly affected by setting a special fund "the Beirut Support Fund". The fund's objective was to provide non-repayable grants to the affected employees and their families to cover reconstruction and purchases of necessary inventories based on case-by-case basis. In view of that, the assessment of the damages was achieved for each concerned employee and the cost of the repairs was reimbursed. Funds were allocated based on the level of destruction and the employees' salaries, and will be evidenced by way of independent audit report. Our bank made sure that the employees at the lower end of the pay scale benefited the most from the allocated grant.

As a result, an internal team from the bank assessed the damages to the households of 31 employees and all of them received the needed allocated funds for repairs and replacements.

From DEG perspective, Fransabank's measure not only contributed to positive social and economic effects in Lebanon and especially Beirut. It also enabled its employees and their families to return to safe living conditions and reduce their exposure to COVID-19.

On another dimension, Fransabank's life insurance arm, Bancassurance, was the first in the Lebanese life insurance market to fully cover all the claims resulting from the 4<sup>th</sup> August explosion to its clients.

### **Community support**

We supported our community and mitigated the hardship caused by COVID-19 and the unprecedented economic crisis through our philanthropic efforts, thus:

- We collaborated with the Association of Banks in Lebanon to provide two local hospitals with the funding needed for their rehabilitation and buying of medical equipment to fight the pandemic.
- We placed a hotel owned by the Bank in Ain Saadeh, Mount Lebanon, fully equipped to welcome COVID-19 patients who cannot quarantine at their homes, free of charge.

### **Commitment to International sustainability principles and Initiatives**

- Support to act voluntary for the promotion of the UN Global Compact' principles for the protection of human and labor rights, protection of the environment and anti-corruption.
- Consistently pledge within our CSR strategy six Sustainable Development Goals (SDGs), Goal 4 - Quality Education, Goal 5 - Gender Equality, Goal 8 - Decent Work and Economic Growth, Goal 9 - Industry, Innovation and Infrastructure, Goal 11 - Sustainable Cities and Communities, and Goal 13 - Climate Action.

### **Rebuilding a more inclusive community**

In the midst of today's uncertainties and the acute impacts on the economy and employment, it is our fervent hope to use this crisis as a catalyst to rebuild an economy that creates and sustains opportunities. This crisis must serve as a wake-up call to action for businesses and government to think, act and invest for the common good and confront obstacles that have inhibited inclusive and sustainable economic growth.

Nonetheless, we pledge our commitment to resuming our CSR strategy and tactical actions as soon as the situation elucidates; maintaining our contribution to the society and keeping our shareholders, customers, and employees at the top of our priorities. We are committed to maintain our CSR heritage and to stand by our institutional role for achieving economic and social development, to contribute, to the best of our ability in the national effort for a better future