



COMMUNICATION ON PROGRESS 2021



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, 2022

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 Limited

Amongst the largest and systematically important bank in Bangladesh

BRAC Bank Limited is amongst the largest private sector commercial bank in Bangladesh in terms of total assets, which stood at BDT 449 bn (USD 5.23 bn) as at the end of 2021. The bank accounts for approximately 2.0% and 2.2% of the sectors loans & advances and deposits respectively.

Legacy of over 20 years

The bank's origins date back to 2001, marking 20 years of successful operations in 2021. The total staff cadre of the bank stood at 7,740 as at end 2021 and they serve over 1.3 mn customers comprising around 0.37 mn SME customers, about 17,000 corporate client groups, and around 0.86 mn retail customers through a wide local and international network of branches, subsidiaries, agency arrangements and correspondent banking relationships. The bank also has a sound base of around 1.16 mn deposit-holders.

Versatile financial intermediation

BRAC Bank was established with the noble vision of providing formal banking solutions to the 'unbanked' small and medium enterprises of Bangladesh. These comprise the socioeconomic backbone of the country and yet did not have access to institutional finance. Today, BRAC Bank not only bridges this disparity, hence contributing to the true spirit of financial inclusion, but has also emerged as a bank synonymous with SME

finance in Bangladesh.

Robust diversification

In addition to charting its own trailblazing path in SME finance, today, BRAC Bank has also built large and thriving businesses around its three other pillars – Small Business, Retail and Corporate segments. Furthermore, BRAC Bank's subsidiary, bKash, is the largest and fastest-growing mobile finance services (MFS) business with 0.27 mn agents and more than 57 mn verified accounts. Besides business diversification, the bank has successfully accomplished a high level of diversification in its operations across many other parameters, such as customer profile, products and services portfolio, funding profile, maturity profile, economic sectors and sources of revenue.

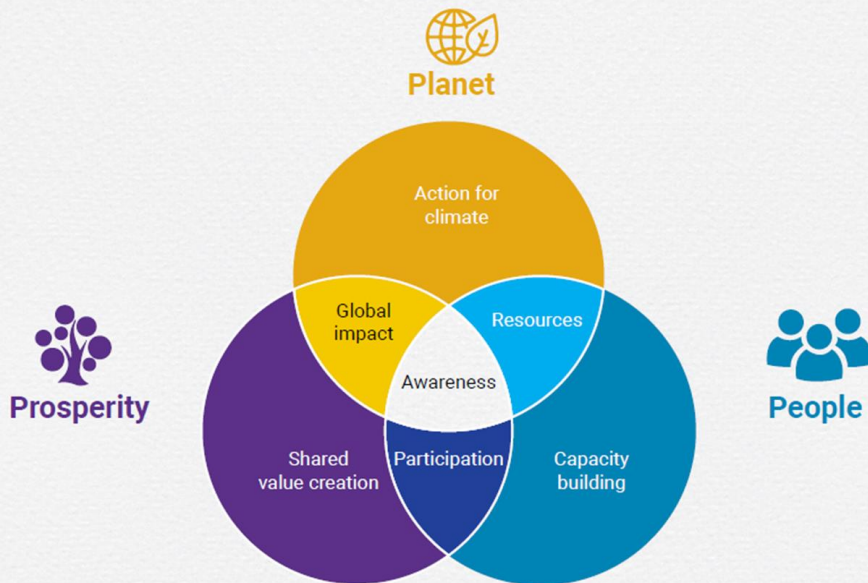
Fostering values-based inclusive banking

BRAC Bank, as a member of the prestigious Global Alliance for Banking on Values (GABV), is committed to humanize finance, embracing the holistic "3P" philosophy of People, Planet and Profit. With a partnership mindset, we are focused on accelerating social, cultural, environmental and economic transformation across Bangladesh, enhancing our impact in ways that help to build more inclusive communities and improve the well-being of people. We will continue to explore and embrace opportunities in green climate fund, bankable climate adaptation projects and green bonds, while aligning our impacts with those of the SDGs and Government priorities.

Our Philosophy

3Ps in alignment with GABV principles

At BRAC Bank, our focus on sustainability is driven by our underlying emphasis on the “3P” philosophy of People, Planet, Prosperity. Guided by the underlying principles of this approach, our conduct is rooted in nurturing a comprehensive impact that benefits all constituents of our stakeholders, especially in alignment with the principles of the Global Alliance for Banking on Values (GABV), of which we are the only member from Bangladesh.



The culture of sustainability, good governance and compliance is embedded in the bank’s value system. As a member of the GABV, BRAC Bank has embraced the following principles:

PRINCIPLE 1

Social and environmental impact and sustainability are at the heart of our business model

PRINCIPLE 2

Grounded in communities, we serve the real economy and enable new business models to meet the needs of both

PRINCIPLE 3

We forge long-term relationships with clients and enable a direct understanding of their economic activities and the risks involved

PRINCIPLE 4

We focus on the long-term, are self-sustaining and remain resilient to outside disruptions

PRINCIPLE 5

We foster transparent and inclusive governance

PRINCIPLE 6

All these principles are embedded in our culture as a financial institution of repute

Responding to Covid-19



Accelerating Covid-safe Measures and Initiatives

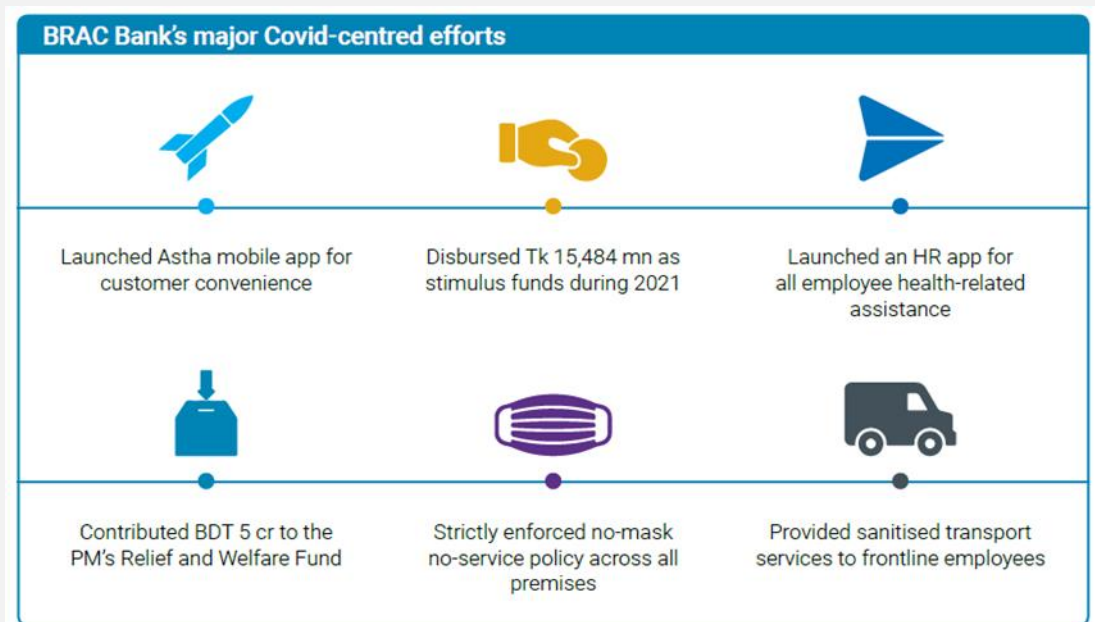
Spotlight on safety and security

At BRAC Bank, our prioritised focus area comprised ensuring the health and safety of our people and customers. This emphasis remained a consistent endeavour in 2021 as well, which was the second year of the coronavirus pandemic in Bangladesh. Harnessing the learnings and insights of the past, the bank activated an updated Business Continuity Plan (BCP) to ensure uninterrupted services to

customers. In the wake of the Delta variant, the government announced mobility restrictions from April 14-28 and again from July 1 to August 11 with an Eid holiday break during July 14-22.

The bank undertook a number of measures to keep its services operational for customers, while safeguarding its people and standing shoulder-to-shoulder with the community to protect them from the worst effects of the virus.

Prestigious international recognition for Covid response BRAC Bank received the coveted accolade as an institution with the 'Most Innovative Covid Response' measures, reflecting the high-quality initiatives adopted for customers, people and the community amidst the pandemic. BRAC Bank won the accolade at South Asian Business Excellence Awards 2021 held in Colombo, Sri Lanka, on December 10, 2021.



Customer-centric initiatives

- CORPNet, internet banking platform for our corporate customers, enabled them to meet their banking requirements in a branch-less environment;
- Increased transaction limits of internet banking and MFS transfers;
- Enabled self-enrolment for internet banking, thus widening access to our online banking platform;
- Enhanced ATM withdrawal limits;
- Ensured rotational deployment of frontline employees.

Stimulus for businesses

- In the first phase (April 2020-June 2021) of the Covid-19 stimulus package of Bangladesh Bank, the bank fulfilled incremental target of BDT 1,500 cr, which is the highest in the industry;
- In the second phase (July 2021-June 2022), the bank disbursed BDT 893 cr;
- The bank also disbursed BDT 283 cr to corporate businesses under the stimulus package in 2021;
- In the package managed by the SME Foundation, BRAC Bank successfully disbursed BDT 80 cr to CMSMEs across the country.

People-led initiatives

- Rolled-out mandatory vaccination for employees;
- Ensured regular awareness communication and training to keep the morale high;
- Activated home office with IT access and appropriate logistics for employees, especially for elderly, pregnant women, back-office and support function employees;
- Actuated online approval procedure;
- Ensured insurance payout to infected employees.

Community-driven initiatives

- Allocated BDT 4.54 cr, or 1% of the banks' net profit of 2020, to provide emergency food-related support to

30,267 families

- Bank's employees donated BDT 1.65 cr from their salary to BRAC's "COVID-19: Emergency food assistance" fund to provide food assistance to 11,000 daily-wage earners and poor households

Segment wise initiatives

SME banking

- Assisted CMSME entrepreneurs by disbursing BDT 2,429 cr under stimulus package
- Launched COVID Emergency Fund project in partnership with ACDI/VOCA (funded by USAID) for farmers
- Offered collateral-free financing to ICT entrepreneurs

Distribution network

- Ensured high levels of operational resilience and flexibility
- Provided comprehensive safety measures for staff and customers
- Optimized client access and convenience through existing distribution channels while also advancing the use of the bank's digital channels
- Introduced Virtual Branch initiative

Corporate banking

- Disbursement of stimulus facilities helped support 1.1 lakh+ beneficiaries
- Extended forbearance support to pandemic affected customers, as per regulatory guidelines
- Facilitated online transactions through CORPNet, with the result that 279 new CORPNet accounts were established during the year

Alternate banking channels

- Supported PIN generation and changes for all types of cards
- Enabled electronic statement and transaction receipt generation

Sustainability



Introduction

Sustainability has turned into a mainstream consideration in the financial sector over the last decade.

At BRAC Bank, spearheaded by the bank's "3P" vision (People, Planet and Prosperity), the bank is a pioneer adopting Bangladesh Bank's groundbreaking guidelines on Green Banking way back in September 2013. Since then, we have established ourselves as one of the market leaders in promoting green and sustainable financing across the banking industry.

To BRAC Bank, sustainable banking means banking beyond just profits. It is about banking for profitability while keeping the economic, social and environmental considerations at the front and centre of what we do.

Today, sustainable banking is one of the core pillars of bank's values-based strategy.

Governance structure

Adhering to the terms of reference laid out by Bangladesh Bank's prudential guideline SFD Circular No. 02: Formation and Formulation of Terms of Reference of Sustainable Finance Division in Banks and Financial Institutions dated December 12, 2016, Sustainable Finance Unit, under the Risk Management Division, works as the nerve centre of all sustainability initiatives of the bank.

The Sustainable Finance Committee comprises the senior management of the bank who serve as the apex authority, supervising all of the bank's sustainability activities under the guidance of the Board. The bank's sustainability activities are channeled across sustainable banking and corporate social responsibility, both working towards the same vision of

making a difference by promoting values-based banking for a sustainable future.

Our approach to sustainability

Since the inception of the bank back in July 2001, BRAC Bank has rooted the concept of promoting sustainable business, which is a key agenda and, today, we have established ourselves as a responsible bank committed to common prosperity.

The recent recognition from Sustainable Finance Department, Bangladesh Bank, suggests that we are on the right path and with this endorsement, we pledge to contribute to the country's Sustainable Development Goals and its climate change targets.

Driven by its "3Ps" philosophy, BRAC Bank has focused its ongoing initiatives and future strategy with a firm commitment to contribute to the national SDG targets. As a proud member of UNGC (United Nations Global Compact) and the GABV (Global Alliance for Banking on Values), BRAC Bank prioritizes financial mobilization towards sustainable development, while excelling in values-based banking to ensure environmental conservation and social protection, while promoting green economic growth.

The underlying objective of our "3P" framework is that it expresses our approach to sustainability and encourages us to embed the elements of holistic and inclusive growth in all that we do, thus achieving progress on a daily basis. Further, as part of our process of determining our priorities, we are working to establish a strategy that will guide the next steps of our sustainability journey with clear roadmaps, targets and key performance indicators.

Doing business the right way

At BRAC Bank, our ethics, values and code of conduct are aligned to globally-recognized anti-corruption and anti-fraud principles and benchmark corporate governance practices. These support us in our quest of doing business purposefully and in the right way and also helps us to build stakeholder trust.

Particularly, our employee training and engagement programmes place rigorous

emphasis on assessing how they interact and engage with our clients and customers.

A humanistic financial services provider

By putting people at the front and center of all that we do and by acting consistently in accordance with our values and ethics, we will continue to build a sustainable future for generations to come. Our key pillars in this endeavor comprise:

Enabling our communities with a blueprint for the future

- Developing sustainability-focused products and services
- Supporting the transition to a low carbon economy
- Ensuring systemic risk mitigation and control
- ESG integration into our credit decision-making process
- Engaging our people in sustainability
- Adopting ethical and upright conduct at all times

Fostering responsible transition

- Empowering communities via a holistic focus
- Financial inclusion
- Ensuring climate resilience
- Nurturing transparency and trust
- Assuring diversity, equality and inclusion

Ensuring that our own foundations are strong

- Governance and compliance
- Customer data privacy
- Responsible supply chain management
- Saving precious natural resources, like water, paper, etc.
- Minimising the environmental impact of our operations

Nurturing shared value

Corporate responsibility and citizenship comprise an integral part of BRAC Bank's core values and culture. Thus, we have prioritized long-term initiatives that unleash a sustainable and enduring impact.

Further, guided by Bangladesh Bank, we have adopted effective steps to foster green banking in Bangladesh through issuing guidelines and also through espousing the essence of environmental and social risk management (ESRM). Moreover, as part of our commitment to the environment, we refrain from

financing projects that are considered harmful to the environment in particular and the society in general, including tobacco cultivation or manufacture, textiles and garments production facilities without waste management infrastructure and ship-breaking, etc.

On the other hand, given our extensive experience, we also consult our clients on equipment/plant modernization to ensure lower pollution and greater environmental preservation.

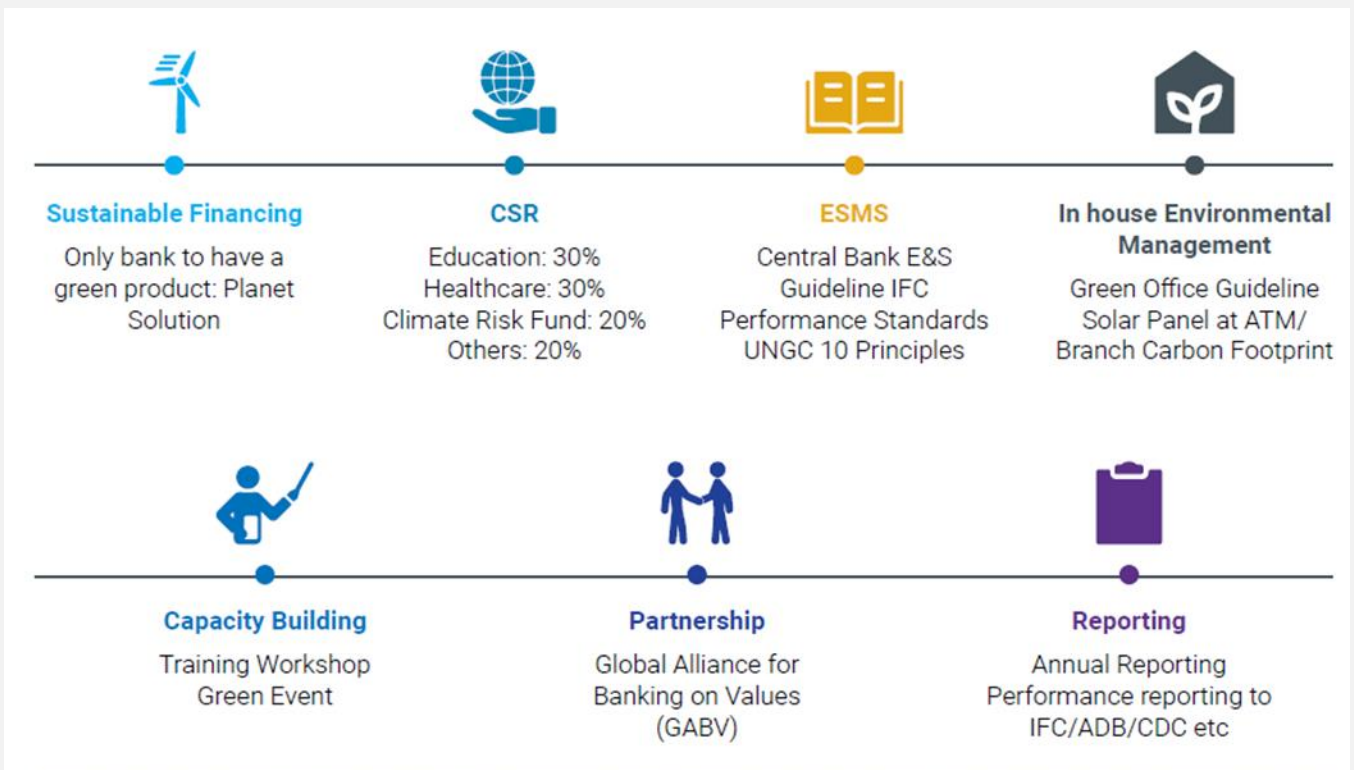
At the bank, with our purpose of reducing our own carbon footprint, we also actively promote paperless and digital banking through digital communications and other alternative banking channels. We also discourage the use of plastic within our premises and encourage the use of renewable energy and sustainable electrification.

Activities under our sustainability agenda

Recognizing that the true potential of the financial sector is to play a catalytic role in job creation, environmental conservation, social protection, women empowerment, and technology innovation, BRAC Bank puts emphasis on nurturing a harmonized sustainable banking ecosystem that ensures clarity of purpose, stimulates inclusive financing and promotes practical solutions for sustainable development.

Thus, BRAC Bank's varied activities under sustainable banking ranges from Environmental & Social Management System, promotion of green finance, organizational capacity development to multidimensional stakeholder management, creating a solid pathway towards a greener future.

Key information about the bank



Contributing to the SDGs through Sustainable Banking

For the Second year in a row, BRAC Bank was declared as one of the top contributors of Sustainable Taxonomy, as per the new SFD Circular No. 05: Sustainable Finance Policy for Banks and Financial Institutions dated December 30, 2020 by Bangladesh Bank.

To ensure sustainable recovery from the

pandemic with commitment towards 2030 national agenda for sustainable development, BRAC Bank has extended 360-degree value propositions under its unique Sustainable Finance product umbrella, “Planet Solution”, for CSMEs and large corporate customers, helping those adopting eco-responsible initiatives to explore more green alternatives.

Alignment with the UNGC principles

UN Global Compact principles	BRAC Bank’s alignment
8: Elimination of forced/compulsory labor 6: Elimination of discrimination with respect to employment	<ul style="list-style-type: none"> • Respect for human rights at all times • Fair and meritocratic workplace environment • Conscious promotion of inclusion and diversity
3: Upholding freedom of association	<ul style="list-style-type: none"> • Time-tested belief that education can bring forth life transformation • Initiatives in education, especially among the underprivileged communities • Prioritized emphasis on education of the girl child
6: Elimination of discrimination with respect to employment	<ul style="list-style-type: none"> • Promotion of workplace inclusion and taking a no leniency stance on any infringements • Exclusive women-centric activities and gender sensitization initiatives • Internal TARA (Women) forum/platform for enabling open discussions
8: Initiatives to promote greater environmental responsibility 9: Adherence to environmentally-friendly practices	<ul style="list-style-type: none"> • Dedicated sustainable finance desk at selective branches • Measuring carbon footprint
8: Initiatives to promote greater environmental responsibility 9: Fostering environment-friendly practices	<ul style="list-style-type: none"> • Responding to climate change via sustainable finance for renewable energy projects • Dedicated sustainable finance desk at selective branches • Focusing on promoting digital banking

UN Global Compact principles	BRAC Bank's alignment
<p>3: Upholding freedom of association 10: Working against corruption</p>	<ul style="list-style-type: none"> • Open, transparent and meritocratic work culture • Stringent code of conduct, anti-bribery policies • Increasing workplace flexibility, especially driven by the pandemic
<p>7: Support to prevent environmental degradation 9: Promotion of greater environmental responsibility</p>	<ul style="list-style-type: none"> • e-communication against paper-based correspondence • Digital banking that helps minimize use of paper • Concerted efforts in reduction of plastic use • Awareness creation around judicious electricity, paper and water use
<p>7: Support to prevent environmental degradation 8: Greater environmental responsibility</p>	<ul style="list-style-type: none"> • Prioritized lending to businesses associated with clean and green energy • Credit preference to businesses establishing environmental protection assets
<p>3: Upholding freedom of association</p>	<ul style="list-style-type: none"> • Cooperative partnerships-driven approach to social responsibility programmes to ensure higher and more sustainable impact • Strength of partnerships yields sustainable and sustained social value

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.



Transforming our people to be future ready

Our people represent our true value creators that enable us to attain our goals and objectives.

At BRAC Bank, talent attraction, acquisition, development and retention are mainstream HR activities that ensures the availability of quality human resources and also their level of engagement for value creation.

Our employee value proposition is all about making work enjoyable and rewarding, and the alignment between this proposition and the experience of our employees, together with a fair, equitable, meritocratic and diverse culture, has created a unique employer brand for BRAC Bank, which helps us attract, retain and engage talent in our value creation process.

Our talent management strategy goes beyond training and development. In fact, we highlight the importance of individual transformation so that our people can keep up with the ongoing changes in the environment, especially in the realm of digital banking. This agenda is the focus of all of our HR activities. We also have a dedicated team of HR experts who ensures employee transformation across the bank.

Employee engagement is a key performance indicator to assess the level of employee engagement for value creation. It reflects employee alignment to our vision and purpose. During the year under review, employee engagement was elevated, especially on account of reactivation of remote working during the second wave of the pandemic.

At the bank, we are also developing management systems that harness integrated thinking. Harnessing well-rounded individuals is routed through the management systems, including quality, environment, social accountability and performance management system. Indeed, management systems provide a systematic approach for managing what is material for value creation to the business unit-level managers. It is true that changing business needs and volatility in the environment require constant streamlining of HR processes and practices. Together with the digital transformation, BRAC Bank is also automating HR practices and improving the availability and quality of HR insights. This is in line with the bank's focus on streamlining employee policies through a comprehensive assessment of on-job positions and also incentive payment schemes.



7,619

No. of employees



177,437

Total learning hours



BDT 6,645 mn

Salaries and allowances



35

Avg. age in years



13%

Women in our workforce

All figures pertain to those of 2021

Futurizing our workforce and giving them an environment to thrive

Guided by our mission of providing human-centric financial services, we remain committed to our journey of enabling our people to be digital-ready and customer-centric, while ensuring that their safety and well-being remains a top priority.

Our key HR pillars

At the bank, we place our people foremost in every decision we make, to empower them to flourish and rise above any challenges and continuing on their path of career advancement.

Our people strategy is guided by the following thrusts to shape a thriving, diverse and inclusive workplace that enables employees to be engaged, future-ready as well as mentally and physically fit, while embedding the organizational development approach that supports the need for businesses to rotate quickly in an environment undergoing continuous change:

- Workplace futurization by institutionalizing new ways of working

- Workforce futurization by accelerating development and productivity of our people
- Future-ready infrastructure through innovative processes and tools

Today, we continue to nurture a community of employees deeply committed to serve our purpose.

We do so through our robust HR value propositions that create mutual value for our employees and organization. Ongoing training and development opportunities, a safe and inclusive work environment and attractive remuneration and benefits result in higher employee engagement levels which in turn results in high productivity levels.

A diverse and inclusive workforce

We are committed to nurturing a diverse workforce and continue to create an empowered environment where individuals are free to bring their authentic self to work without fear of judgment or discrimination.

This acceptance of diversity enables us to understand our employees better and in a way mirrors the needs and expectations of our customers.

At BRAC Bank, ensuring gender parity and a bias-free workplace is an integral aspect of our diversity policy and we continue to strive to improve female representation at all levels of the bank.

Currently, 13% of our employees are female, whilst at senior manager position the representation is at 9%. Our recruitment policy gives thrust on female employment, even as we have emerged as perhaps the first bank in the country to offer formal employment to people of the transgender community.

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 2021, we have invested 177,437 man-hour for training programmes for our employees.

ENVIRONMENT

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

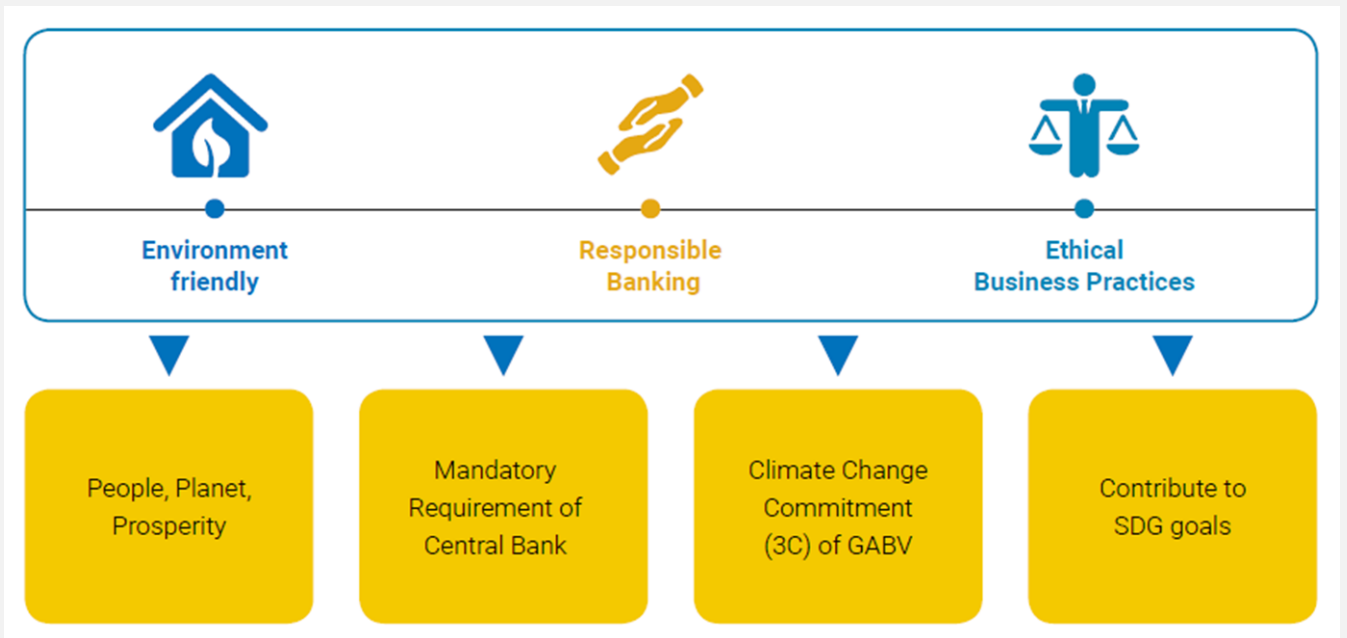
Principle 8: undertake initiatives to promote greater environmental responsibility; and

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



Driven by its “3Ps” philosophy, BRAC Bank has focused its ongoing initiatives and future strategy with a firm commitment to contribute to the national SDG targets. As a proud member of UNGC (United Nations Global Compact) and the GABV (Global Alliance for Banking on Values), BRAC

Bank prioritizes financial mobilization towards sustainable development, while excelling in values-based banking to ensure environmental conservation and social protection, while promoting green economic growth.



As a responsible bank to planet Earth and its sustainability, BRAC Bank is aware of its financial footprint and exposure in E&S related risks and their probable impact on the concerned ecosystem.

To maintain 100% alignment to environmental and social obligations, the bank has its own Environmental & Social Safeguard Policy as a comprehensive E&S guiding principle meeting regulatory requirements and voluntary commitments in adopting environmental and social best practices.

These policy-guidelines are established by the Board and designed to meet the organizational requirements regarding Environmental & Social Management

System (ESMS) that provides proper organizational structure and in-house capacity to identify E&S risks associated with our clients and monitor risk mitigation plans in accordance with their respective risk grading.

Further, with a view to promote transparency, the bank has also established an Environmental & Social Grievance Redressed Mechanism through which any individual, group or community aggrieved by environmental or social incidents caused by BAU activities can file a complaint to the senior management of the bank for resolution. Sustainable Finance Unit (SFU) is responsible to ensure the overall implementation of ESMS within the bank as per the E&S Safeguard Policy.

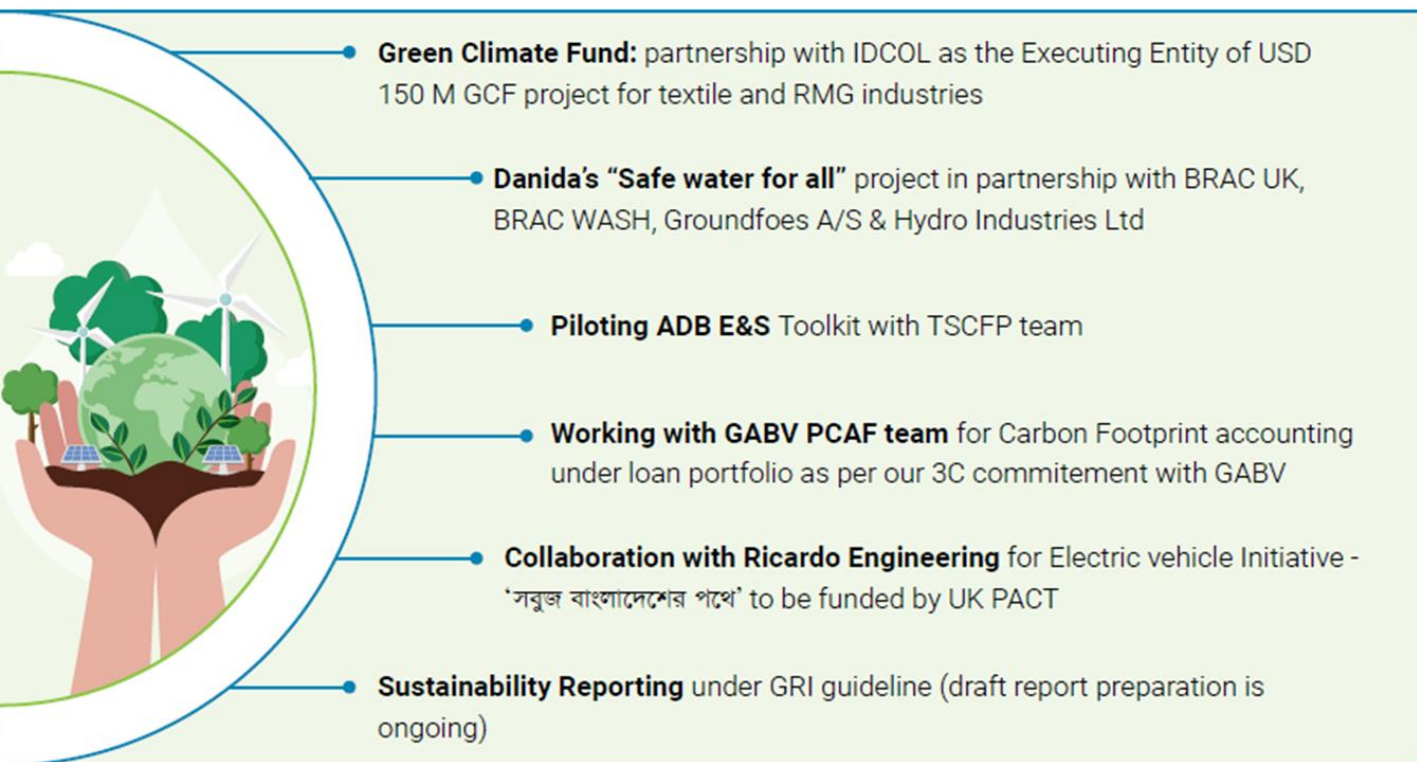
Environment-related Initiatives

BRAC Bank already has a substantial portfolio under green socially responsible lending and we aim to double our portfolio size over the next 5 years.

We believe sustainability sectors (as recognized by Bangladesh Bank's Sustainable Finance Policy") will undergo a paradigm shift as the nation re-emerges from the pandemic.

BRAC Bank's ongoing initiatives have sizable opportunity to contribute to the national SDG targets by supporting economic growth via low cost credit schemes and business innovation through sustainable investment.

As a bank, we will also constantly explore bankable projects related to climate adaptation/disaster management and work for people, planet and common prosperity.



Tree plantation initiative on the occasion of the birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman.



As one of the leading sustainable banks of the country, BRAC Bank signed PFI agreement with Bangladesh Bank to become a participating bank of the newly-introduced Technology Development and Up-gradation Refinance Scheme, a BDT 1,000 crore green fund introduced in January 2021 to promote the technological development of export oriented industries.

Under this agreement, BRAC Bank, as a PFI, will support 13 highest priority and 19 special development-oriented industries

with giving access to this green refinance fund, complying with the Export Policy 2018-21.

Khondkar Morshed Millat, General Manager of the Sustainable Finance Department of Bangladesh Bank, and Selim R F Hussain, Managing Director and Chief Executive Officer of BRAC Bank signed the agreement on behalf of their respective organizations at the Bangladesh Bank Head Office.

In house green initiatives



ANTICORRUPTION

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



At BRAC Bank, good governance permeates the entire organization. Our philosophy is succinct and simple.

We believe that shareholders and stakeholders can only draw meaningful value from a business whose behavioral standards and everyday actions translate into honesty, integrity, transparency, accountability and respect. This is a time-tested legacy that has served the bank well since its existence.

As a business that has a major economic and social impact, it is important that we remain sincere to our values to not only ensure responsible lending practices, but also to root ourselves in consistent delivery in both behavior and action. We therefore embrace governance as a way of daily life rather than just a set of rules.

At BRAC Bank, our ethics, values and code

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

During the year 2021, we also ensured that our efforts in anti-corruption and anti-money laundering remain robust, 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 bolster governance and risk control measures across the bank and also its subsidiaries.

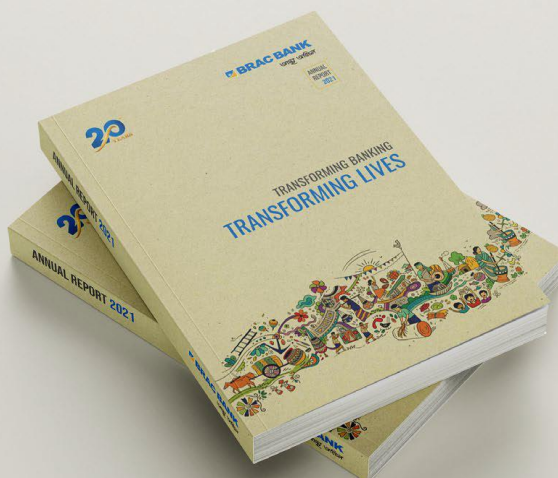
Prevention of Money Laundering and Combating Terrorist Financing was a key program of the year and witnessed participation by as many as 74% of our total staff. The “Learning Hour” of this programme saw participation by 94% of our entire staff. This also demonstrates the bank's seriousness in anti-money laundering and combating terrorist financing.



AML training for Agent Banking staff:

To ensure proper conduct, control and compliance, Agent Banking arranged regular AML/CFT training sessions at both head office and field-level through field-based team trained through TOT (Training of Trainers) programme.

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Annual Report 2021



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