

Sustainability Report

Foreword

Banking has experienced a phenomenal shift from its traditional form of operation to a completely new strategic dimension referred to as Sustainable Banking which means integration of environmental, social and governance criteria into the business or investment decisions for continuing benefits of both clients and the society as a whole.

EBL has always been a pioneer in adopting the best practices to set examples among other banks and financial institutes of the country. At EBL, sustainability means more than just operating responsibly or complying with regulatory requirements. It means having a positive and long lasting impact on the surrounding community and to all the stakeholders. For over 29 years, EBL has striven to strengthen the country's financial eco system and is strongly interlinked with Bangladesh's growth story. Bangladesh is included among 25 countries in the world that have launched national policies, guidelines, principles, or roadmaps focused on sustainable banking.

Since inception as a scheduled private commercial bank in 1992, Eastern Bank Limited has been creating opportunities for individuals, businesses and contributed for the sustainability of the society of which it is a part. EBL aims to go beyond profitability. EBL believes every business must have a social purpose along with a commercial one. We cannot make profit ignoring economic, social and environmental aspects of the society where we operate. We aspire to promote ethical businesses to help people and the society as a part of our corporate social responsibility and a platform toward attaining sustainable development of the economy.

Today, technology is enabling us to fulfill our purpose at ever greater scale. The adoption of smartphones and digital platforms are driving changes in customer's preferences. Every day, we are discovering new ways to engage with each other and with businesses.

As 2020 was not normal by any means, we tried our best to protect our employees and customers against COVID-19 pandemic. EBL took some strict precautionary initiatives and followed the instructions given by Government and World Health Organization. Maintaining social distancing at work place, working from home, reduced office hour, use of hand sanitizer, temperature monitoring, use of gloves and masks, disinfecting office premises are some of the steps taken by EBL throughout the year.

EBL has also engaged with industry peers and worked closely with related regulators including Bangladesh Bank in shaping policy reforms/responses appropriate with market realities and difficulties during the COVID-19 period. EBL is one of the first few

banks in channeling government stimulus fund to customers to help restart, minimize impairment and bounce back.

Financial results are a function of commercial success, and commercial success depends on delivering superior value to customers, being an attractive workplace and contributing to societal progress. To ensure that we keep this balanced focus, we have concrete ambitions and focus areas. These ambitions cover customer satisfaction, digital advancement, product innovation, employee engagement and financial results etc.

In 2020, EBL made significant progress towards achieving UN Sustainable Development Goals. We promoted financial inclusions through 29 agent and 5 sub-branch outlets, and contributed towards women and student banking by arranging a number of webinars on education, gender equality, health and social issues and developing low cost products for women entrepreneurs. We also have 4 designated student centers to provide customized banking solutions for students pursuing higher education abroad.

In addition to our investment in higher education, EBL also contributes to a wide range of local initiatives in areas such as early childhood education, entrepreneurship, financial literacy, art and culture in the communities where we operate. EBL's small credit program supports some of the most underprivileged social groups by doing what banks do best: funding businesses, no matter how small they might be. Our endeavor to finance agricultural and rural developments, micro and small enterprises and women empowerment will continue with priority.

Again as a leading commercial bank, EBL is continuously funding projects that are eco-friendly and have desire to become energy efficient. We have integrated Environment and Social Risk Management System to analyze the environmental and social risks of projects and promote financing for renewable energy and projects to support the fight against climate change.

At EBL, we want to be profitable as well as sustainable. This way we can help more people and businesses can prosper. We will continue to work every day to make EBL the best retail and commercial bank for our employees, customers, shareholders and communities.



M. Khurshed Alam

Chairperson

Sustainable Finance Committee

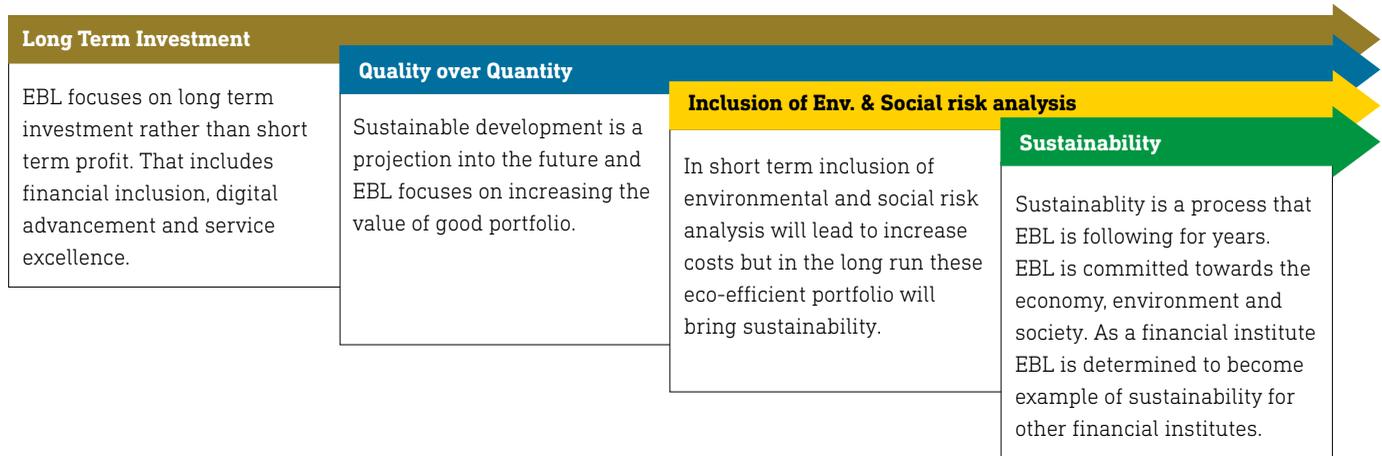


Sustainability: An overview

Sustainable Banking means providing socially and environmentally responsible products and services that will have long term positive impact to financial organizations and community as a whole. Financial institutions unwilling to follow the path towards sustainability will lose competitiveness.

A financial institute involves in environmental and social issues of a community from the moment it acts as financial intermediary and

gets involved in financing projects. As a leading commercial bank in Bangladesh, EBL has made sustainability as its integral part of day-to-day work, and is continuously improving the environmental and social performance of operations, which we commonly refer to as our corporate footprint. The sustainability strategy articulates EBL's strategic commitment to sustainable development which we consider one of the vital parts towards risk management.



At EBL we believe that any growth should meet the requirement of today's generation, without hampering future generations' ability to meet their own necessities. We are committed to ensure ethical, social and environmental criteria that are diligently followed when conducting business and making business decisions.



Sustainability governance

EBL is one of the pioneers in the banking sector in Bangladesh to adopt international best practices in corporate social responsibility and good governance. Our aim is to take a leadership position in sustainable finance. The rules and regulations of the Board of Directors are stipulated in relation to sustainability which are:

- The Board of Directors; on all matters except those reserved for the annual general meeting, is the only body authorized to approve general policies and strategies, especially those relating to sustainability.
- The Board of Directors also oversees the corporate social responsibility policy, ensuring its compliance and its aim to create value for the Bank.

EBL has a Sustainable Finance Committee (SFC) chaired by a Deputy Managing Director (DMD) and comprises the heads of different divisions and corporate areas of the Bank concerned with sustainability. This Committee meets at least once a quarter and proposes, coordinates and promotes the Bank's sustainability initiatives. Credit Risk Management (CRM) team also assesses the reputational risk stemming from any financial transaction with a social or environmental impact, which issues non-binding recommendations to the relevant decision-making body. Subsequent to business units and credit risks as a third line of defense, internal audit team performs regular evaluations of the implementation of Environmental & Social Risk Management (ESRM) system, sustainable banking and green office guideline. Our corporate culture includes six core values which creates an essence of corporate governance and sustainable development.



Service Excellence



Openness



Trust



Commitment



Integrity



Responsible corporate citizen

Sustainable banking policy defines the Bank's general sustainable banking principles, and its voluntary commitments to its main stakeholders, through principles and commitments focused on creation of lasting value. This policy also refers to social and

environmental risk management for the Bank's lending activities involving sensitive sectors and business activities. Green office guideline explains the Bank's commitment to, and action in, combating climate change.



Key highlights of 2020

EBL's COVID-19 response

2020 was the year of COVID pandemic. The whole world has suffered of this virus and continues to do so. In order to protect the people, the government of Bangladesh declared "lockdown" in a form of general public holiday across the nation from 23 March to 30 May and prepared some necessary steps to spread awareness of COVID-19 pandemic. As a bank we also did our best to ensure our employees and customers stay safe and healthy. EBL took some strict precautionary initiatives to ensure social distancing. We strictly followed the instructions given by the Government and world health organization. Majority of us were working from home from April to July. Only few branches and departments were open. Office hours was reduced as per Bangladesh Bank guideline and employees were working on rotation.

Sufficient safety measures were taken for employees. Use of sanitizer has been made mandatory. Hand sanitizers have been placed in numerous corners of the Bank. Body temperature of employees are screened every day to make sure no one enters office with fever or other symptoms. Use of gloves and masks is must for most employees based on their operation type. Bank is running regular disinfection process in all its offices in regular intervals. Any sort of foreign tour, training, conference, meeting

with correspondent banks, customers within and outside country were temporarily suspended in 2020. We reached them through phone and video calls.

We encouraged our customers to use our digital platforms to meet their daily financial needs without physically visiting any branch. Our internet based products are much more active now. We are regularly reaching our customers to use these online products and also educating them about their usages on regular basis.

We have also engaged with industry peers and worked closely with related regulators including Bangladesh Bank in shaping policy reforms/responses appropriate with market realities and difficulties during the COVID period. EBL was one of the few initial banks in channeling government stimulus funds to customers to help minimize damage, restart, and bounce back.

8R approach to sustainability

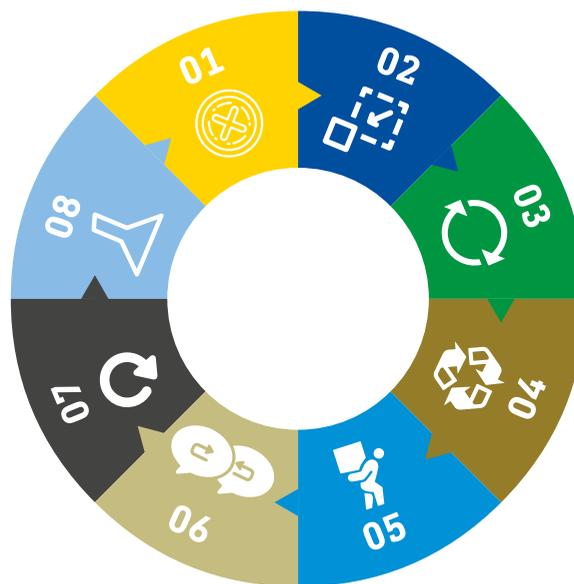
In this constantly changing business environment, we pursue efficient cost management, promote consistent productivity gains through seamless coordination between business functions, and focus our attention on widening our banking horizon to deliver sustainable growth. We followed 8R approach also in 2020 as we did in 2019 in terms of sustainability and will continue in the future.

01. Refuse
Refuse to do business with clients who are damaging environment.

02. Reduce
Reducing unnecessary energy consumption
(Electricity, fuel, water)

03. Reuse
Reuse of paper, different printed stationary items.

04. Recycle
Recycled water used in washroom



05. Responsibility
Selecting good borrower & empowering employees.

06. Respond
Brought down our response time from 0-5 days to 0-4 days.

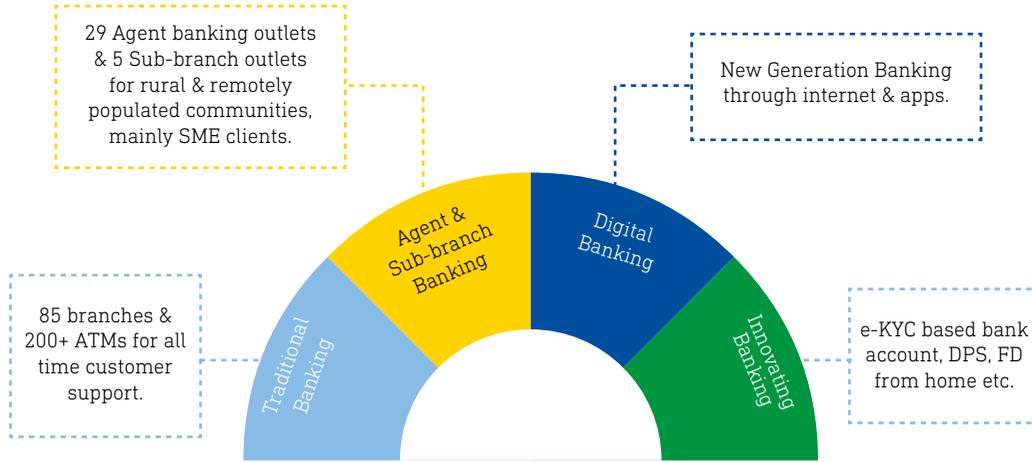
07. Renew
Use of renewable energy in HO.

08. Refine
Refining Processes to increase efficiency & productivity

Financial inclusion and diversity

We empowered local people through SME loans, agricultural and rural credits and women banking where maximum customer facility is provided through knowledge development, customized products and arranging training for women entrepreneurs. We

have been providing best banking services and solutions in the urban section; now looking for development of the rural and underdeveloped people of the country.

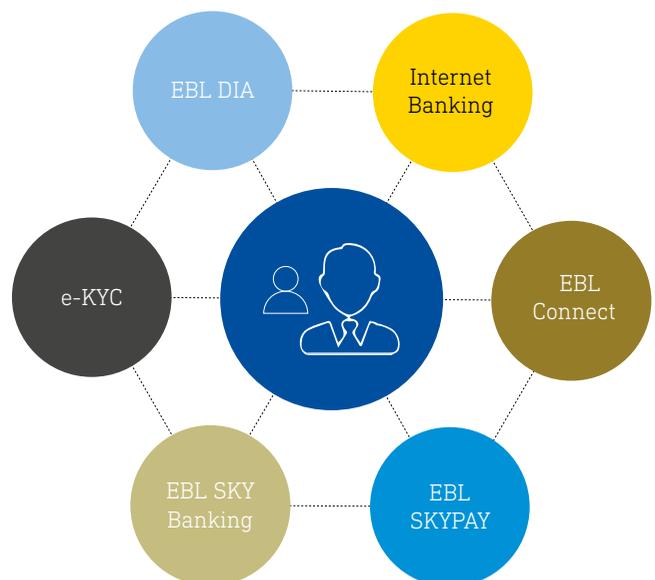


Digital banking and automation to save time and resources



From EBL 365 to DROPBOX to SKYBANKING to EBL DIA to EBL SKYPAY, EBL has been able to adopt the digital transformation of the banking industry. EBL has been the pioneer for providing unique digital services for its customers. EBL is determined to engage its customers more in digital channels by offering unique services and increasing customer convenience. In 2020, EBL has done outstanding work in digital banking to introduce EBL Self Service Hub to open FD and DPS from Home. During this challenging times we are constantly in touch with our customers through social media channels, providing innovative solutions through our banking app, banking through Chabot, introducing QR Payment solution to make contactless payments, e-KYC based bank account, VISA Inward Remittance, balance certificate automation, collection gateway through 'EBL Connect' and providing export factoring solution as part of our efforts to offer customer support in every possible way.

EBL started its e-KYC based Insta account project in 2020, which has been introduced in January 2021. Now customers can easily open their account from their home without coming to branches.





Economic Sustainability



Environmental Sustainability



Social Sustainability



Economic sustainability

Employee remuneration

BDT 3,949.92 million in staff costs

EBL has 1896 permanent employees; 48.3% are with EBL for less than 5 years, 28% are for 5 -10 years, 15.5% are for 10-15 years and 8.2% are for over 15 years.

Loans granted (net) to SME- Small businesses

BDT 10,739.80 million in loans provided at year-end

The Bank has disbursed BDT 10,739.80 million loans to Small businesses in which BDT 1,577.60 million is disbursed in rural area.

Shareholders

BDT 2,841 million recommended as dividend

Recommended 17.5% cash dividend and 17.5% stock dividend per share.

Taxes withheld and paid

BDT 3,880 million in taxes and other levies withheld and paid

EBL contributes both economically and socially to the country by paying withholding taxes and other levies from third parties.

Social investment in the community

BDT 183.22 million in social investment in the community

BDT 183.22 million in community support program. 13 MFIs are linked with EBL to mobilize agricultural loan.

Financial inclusion & indirect economic impact	2020	2019
Cumulative agricultural and rural credit extended through MFIs (BDT in million)	5,294.40	4,328.91
Cumulative agricultural credit extended through own network (BDT in million)	10.80	16.80
Cumulative agricultural and rural credit extended from ADB fund (BDT in million)	2064.12	1,685
Total number of individuals impacted through agricultural and rural credit	115,270	111,265
Total number of MFIs partnered for agricultural and rural credit disbursement	13	13

Promoting sustainable finance	2020	2019
Financed for installation of ETP to plants in operations (BDT in million)	-	-
Financed in plants having ETP (loan disbursed to projects having ETP) (BDT in million)	36.63	769.46
Financed to solar panel/ renewable energy plants (BDT in million)	-	-
Financed to Bio-fertilizer plants (BDT in million)	-	-
Financed to brick kilns adopted cleaner technology (BDT in million)	186.44	129.12
Financed to other green projects (BDT in million)	1,011.27	1,458.49
Total sustainable finance (BDT in million)	1,234.34	2,357.07
Number of employees trained in sustainable finance	217	209

BDT in million

Financial assistance received from government	2020	2019
Borrowing from Bangladesh Bank under different Refinance programs (as of 31 December)	18,523.72	16,752.10
Interest loss compensation received from Bangladesh Bank against disbursements in specified agricultural products @ 4%	0.00	0.03

BDT in million

Contribution to national exchequer	2020	2019
Income Tax	6,511	4,365
VAT	599	597
Other duties & Taxes	352	234



Environmental sustainability

To achieve long-term sustainable development, we must responsibly manage environmental and social (E&S) risks. Rapid urbanization and industrialization help to improve the livelihood of the human beings. Simultaneously, it creates strain on natural resources, such as energy, water and food supplies. Our planet's ability to meet the growing demand of urbanites may be depleted if we don't become environment-conscious. In 2013, we introduced certain procedures and templates to assess our E&S Risk which has been further improved in 2018. As a continuous process, E&S structure being updated to cope with different problems and get the best output in terms of good lending.

- All our lending proposals are factored against E&S risks where appropriate.
- All lending proposals take into account relevant local laws and regulations and internationally acceptable environmental and social standards whichever is more stringent.
- Risks associated with both environmental and social issues are being properly recognized, evaluated and where appropriate mitigated.
- Business ensures that appropriate procedures are designed to meet these policy requirements e.g. project finance proposals are assessed in accordance with the IFC performance Standard.

Protecting environment	2020	2019
Number of customers eligible for Environmental Due Diligence	179	194
Number of customers appraised for Environmental Risk Rating	179	194
Low	143	143
Moderate	29	45
High	7	6
Installed capacity of solar energy to run bank premises and ATMs (in Kilowatt)	16	16
Percentage of Bank branches connected online	100%	100%

Power, water and other resources consumption management

EBL believes that every small 'GREEN' step taken today would go a long way in building a greener future and that each one of us can work towards a better global environment. Through proper planning and management, EBL has ensured minimal wastage of natural resource. Whether we finance business that invests in

renewable energy or simply suggests our employees switch their lights off after office hours, use daylight instead of electrical lights, turn off all air-conditioned after 7 pm, turn off half of AC after 4 pm (transaction hour) going towards paperless office work, managing water consumption, planting trees and encouraging green

practices –all these have been mainstay of our banking endeavors. From 2020, EBL has decided to minimize the use of plastic. The initial action for making plastic free EBL was to discourage all EBL

employees to use plastic water bottles. We are not using any plastic bottles at any official program. Also we are now using paper folders instead of plastic folder for documentation purpose.

Resource utilization	2020	2019
Cost of water consumed by the bank (BDT in million)	2.98	4.38
Cost of paper consumed by the bank (BDT in million)	1.95	2.38
Cost of energy (electricity, fuel, and gas) consumed by the bank (BDT in Million)	102.68	142

Climate change & carbon footprint

Climate change has become a global concern as it has direct impact on biodiversity, agriculture, forestry, dry land, water resources and human health. People across the world now admit that Bangladesh is one of the major victims of climate change. Banks, like all other companies, produce greenhouse gases (GHG) directly or indirectly (through financing of clients and projects that generate GHG gases) from their activities.

As a corporate citizen and environmentally-responsible financier, EBL provides green loan not only to help to save the environment but also for a sustainable economic growth.



Green finance loan outstanding (as on 31.12.2020)

BDT 3,025.6 million



Social sustainability

Women and student banking to promote gender equality and education

EBL Women Banking is EBL's courtesy towards all its women customers with a bundle of women specific products, services and proposition. EBL introduced "EBL Ovilashi" account for women entrepreneurs which is a non-individual interest bearing current account, simply a one stop solution to fulfill the dreams of entrepreneurs. It empowers an aspiring female leader to turn her dream into reality. EBL Women Banking provides competitive installment options to country's highest collateral free business loan, EBL has designed and promoted everything for women centric business transformation.

In 2020, EBL Women Banking also arranged webinar on 'One Stop Solution for Fulfilling the Dreams of Women Entrepreneurs' and 'Combating Cyberbullying against Women' to create social awareness and build women leaders.

Join LIVE Session @ EBL Women Banking

COMBATING CYBERBULLYING AGAINST WOMEN

Date: Saturday, December 26, 2020
Time: 7:30 pm

Speakers:

- Barister Mid Sanjana, Advocate, Supreme Court of Bangladesh, Partner, Legal Counsel
- Anika Rabbani, Yoga Teacher and Health Coach, Ioganika
- Dr. Halal Uddin Ahmed, Associate Professor, Child Adolescent & Family Psychiatry, NIMH, Bangladesh, Secretary-General, BACAMs, Bangladesh
- Tawhida Shiripa, Founder & CEO, Moner Bondhu (Moderator)

EBL WOMEN

উদ্যোক্তার স্বপ্নপূরণের ওয়ান স্টপ সল্যুশন

Join LIVE Session @ EBL Women Banking

Speakers:

- শ্রীমতী মীরা, ব্যবসায়িক প্রশাসক
- মোকাম্মাতুল হক, ব্যবসায়িক প্রশাসক
- শ্রীমতী মীরা, ব্যবসায়িক প্রশাসক
- শ্রীমতী মীরা, ব্যবসায়িক প্রশাসক

EBL WOMEN

For promoting education, EBL has taken numerous initiatives such as providing account facility to school, college and university-going students. EBL has Child Future Plan which is a unique recurring deposit protection scheme (DPS) which helps parents to save for their child's future. This savings can be used for higher education, marriage or meeting any special needs of children in the future.

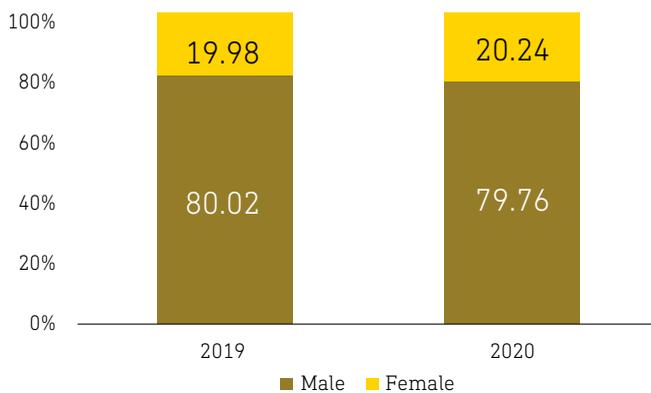
EBL Student File Service is aimed at providing customized banking solutions to students going abroad for higher education. Any student pursuing higher studies needs to legally send fund abroad for tuition fees and living expenses. EBL Student File makes it very convenient for them to send fund abroad as we maintain separate files for each student while keeping record of all the information till completion of the course.

Women empowerment & student loans	2020	2019
Women Loans disbursed (BDT in Million) (Small Segment only)	59 0.66	962.47
No. of women entrepreneur received loans (Small Segment only)	370	201
Student Loans disbursed (BDT in Million)	4.28	11.81
No. of student received loans	3	5

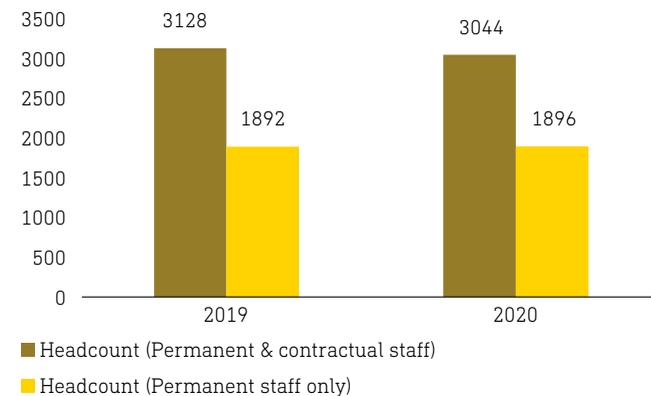
Employees

Quality of working relationships, healthy work life balance, recognition of the performers, and continuous investment in people differentiates EBL as an 'Employer of Choice'. If employees feel proud of belonging to EBL and are more committed, they will be able to earn the lasting loyalty of our customers.

Employee by Gender(%)



Headcount



Years of service with EBL (Permanent staff only)



Employer of choice	2020	2019
Percentage of voluntary attrition	9.20%	11%
Percentage of growth in total headcounts	-2.69%	-0.16%
Number of fresh graduates recruited as Management Trainee	-	46
Number of fresh graduates recruited as Probationary Officer	-	27
Number of fresh graduates recruited in other positions	20	12
No. of Fire wardens	143	193

Training and education

Green Banking training is mandatory for all newly joined staffs in EBL. For our corporate relationship managers to have in-depth understanding on Green Finance, we have introduced 'Sustainable Finance Training' since 2013. In 2020, a total of 217 staffs have attended these trainings which was 209 in 2019.

Training & development	2020	2019
Permanent staffs received training (Employee*number of training)	4,078	11,352
Total number of training days	6,539	14,327
Average training days per employee	2	6
Number of employees trained in sustainable finance	217	209



In 2020 EBL arranged several FB Live learning sessions for general public on 'How Parents Can Support Their Child's Learning', 'Language Skills for Students' and 'How to Improve Your IELTS Band Score' in collaboration with British Council.

Employee benefits & remuneration policies

We have a comprehensive remuneration system based on our HR policy. It combines a fixed salary that reflects the individual's role and level of responsibility along with other benefits. In addition, the Bank also offers provident fund, gratuity, staff loan and other benefits such as banking products and services and medical benefits for employees and dependents.

Diversity and equal opportunity

Diversity and equal opportunity are the key driving force in terms of employment. People with diversified knowledge help the Bank to do sustainable banking and create an atmosphere which promotes innovation. EBL is also women friendly Bank for employees as well as for its customers. Many women are leading different departments and creating long lasting values. EBL employees share the corporate culture focusing on fulfillment of its purpose, helping people and businesses prosper, and consistently doing things in a simple, personal and fair way.

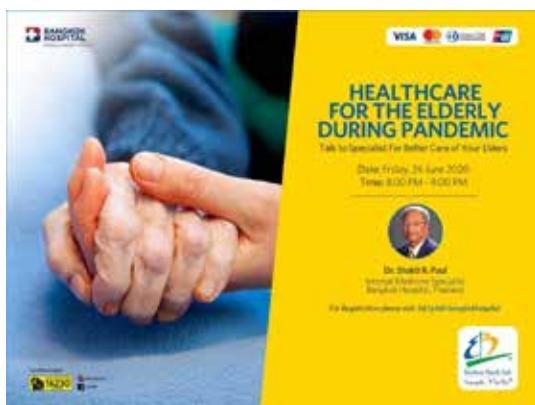
Community investment

EBL also contributes to economic and social development through initiatives and programs that support the community. At EBL, we believe that the most rewarding investment is investing for the society. We believe in creating long-lasting value for our clientele, shareholders, and employees and above all for the community we operate in. A detailed report on CSR has been presented separately in the annual report.

BDT 141.32 million in CSR in 2019

BDT 183.22 million in CSR in 2020

Throughout the pandemic year, EBL has taken numerous online initiatives to create awareness, provide guidance on number of social and healthcare issues. We believe it's our moral responsibility to give social support and create awareness. In 2020, EBL arranged FB live session on 'Online Health Talk on Breast cancer Awareness' and 'EBL Talk: Healthcare for the Elderly during Pandemic'.



Combating money laundering and countering terrorism financing

EBL has a system to prevent money laundering and the financing of terrorism. The system is kept constantly in line with the latest international regulations and is able to adapt to new techniques used by APG (Asia Pacific Group on Money Laundering). It has also a corporate framework in place for this purpose, establishing the basic guiding principles and policies concerning this matter.

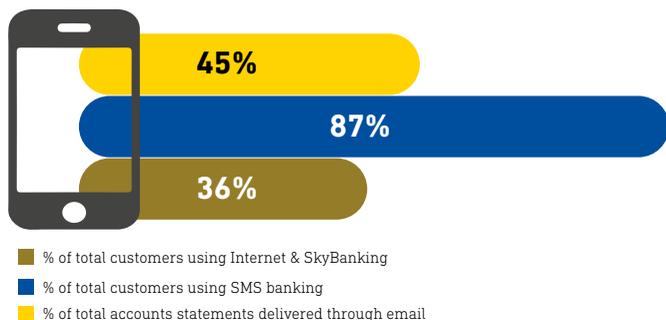
Combating money laundering and countering terrorism financing	2020	2019
Number of Suspicious Transactions reported to Bangladesh Financial Intelligence Unit (BFIU)	103	66
Number of accounts closed for unsatisfactory KYC	12	103
No. of Incidents of non-compliance with regulations resulting in fine or penalty	-	-
Number of staffs completed training on AML	1,541	1,852

How we value our customers

To the EBL crew, customers are the cause of existence, never just a queue in the bank counter. Recognizing 'customer satisfaction' as a journey not destination, EBL is determined to serve its customers' needs by offering innovative but useful financial products and services, while maintaining good relationships with them as trusted partner. To do so, the Bank has developed working systems, applied modern technology, and made available knowledgeable and skilled people so as to ensure that customers receive the best possible service. The Bank continually expands its network of branches, ATMs, Dropbox, Cash Recycling Machine (CRM) and business centers nationwide, protects confidentiality of customer's information, and manages and duly rectifies complaints.

Digital transformation

In Bangladesh, EBL is one of the leading benefactors of digital banking services to its customers. The Bank had started its digital services back in 2007 through internet banking. In last 14 years, we have developed fast and user friendly digital services for customers such as EBL 365, DROPBOX, SKYBANKING app, EBL DIA, EBL SKYPAY etc.



Financial system of the entire world is changing very quickly. This is also true for Bangladesh’s banking industry as most of the financial transactions will take place digitally in near future. EBL is ready for the transformation.

Service excellence & customer satisfaction

EBL has a system to prevent money laundering and the financing of terrorism. The system is kept constantly in line with the latest international regulations and is able to adapt to new techniques used by APG (Asia Pacific Group on Money Laundering). It has also a corporate framework in place for this purpose, establishing the basic guiding principles and policies concerning this matter.

Excellence in customer service	2020	2019
Number of average customers*	671,987	609,367
Number of complaints received through all channels	1,897	803
Number of complaints resolved (in percentage)	100%	100%
Complaints per 1000 customers	2.82	1.32
Usual turnaround time to resolve any complaint	0-3 days	0-3 days
Total number of complaints regarding breaches of customer privacy and losses of customer data	0	0

*Simple average of number of customers at the beginning and end of the year

EBL is improving its customer relationship model every year with the aim of offering the finest products and services as and when they need them, while enhancing the customer experience with the Bank. EBL is following the “Segment of One” approach for its customers by treating every customer as an individual segment and providing him/her customized and personalized services according to the need.



Our move towards SDGs



The UN Sustainable Development Goals, adhered by more than 190 countries, identified 17 key global issues. Bangladesh is one of the signatories of this. EBL is in a process of managing relationships with stakeholders in the context of the world’s foremost sustainability challenges and committed towards these goals and is helping to achieve them through its business activities and community investment program.



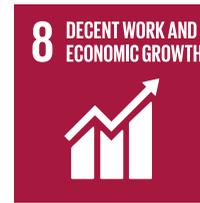
EBL collaborates with many social institutions to create awareness and provide guidance regarding different health issues for improving the quality of life of people.



Promotes higher education to help prosper the communities in which it is present.



EBL promotes an open attitude towards diversity, as a basic principle of its actions to ensure non-discrimination.



EBL endeavors to attract and retain the best talent and wants its professionals to be motivated, committed and rewarded.



EBL promotes financial inclusion within communities and drives training, enterprise and job creation.



EBL helps people and businesses to prosper in order to support the sustainable growth of communities.



EBL promotes sustainable lifestyle to preserve country's natural resources.



EBL analyses the social and environmental risks in its transactions and promotes financing for renewable energy and projects to support the fight against climate change.

Way forward

- Adapt to increased digital banking demands, the need for faster decision making and a constant requirement to break up and rebuild are key to success in this pandemic time.
- Redeploy and reskill the institution's workforce.
- Learning and sharing knowledge across the Bank to grow together.
- Inclusion and diversify principles to have a holistic business mindset and aptitude.