CSR REPORT
EMBRACING CHALLENGES

2019
2020

Bank Audi

TABLE OF CONTENTS

Welcome 3

Corporate Governance 10
Economic Development 13
Community Development 20
Human Development 29
Environmental Protection 35

Experts' Corner 40

UN GLOBAL COMPACT
COMMUNICATION ON PROGRESS

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

We welcome feedback on its contents.

WE SUPPORT
UN GLOBAL COMPACT

Since 2015, Bank Audi sal has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment, and anti-corruption.

UN GLOBAL COMPACT
Network Lebanon
WE SUPPORT

We are a member of the GRI Community and support the mission of GRI to empower decision makers everywhere, through GRI Sustainability Reporting Standards and its multi-stakeholder network, to take action towards a more sustainable economy and world.

GRI Community Bank Audi 2019

GRI Community Bank Audi 2020

BUILT ON GHG PROTOCOL

ISO 26000 SOCIAL RESPONSIBILITY

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

By any measure, the year 2020 was an atypical one: the year of a global pandemic underscoring a recession affecting many worldwide, on individual and business levels.

On this challenging backdrop, Lebanon has been facing, since October 2019, a series of political, economic, financial, banking, and social crises, unprecedented in scope and scale, which have affected the entire Lebanese banking sector, creating major disruptions in activity and operating conditions. This was further amplified by the dramatic explosion of the Beirut port on 4 August 2020, which led to more severe economic and infrastructural damages, unseen during the Lebanese civil war.

Nonetheless, our sustainability role, in terms of business essence and community approach, was a conflictingly inspiring and restraining one since October 2019. Inspiring because there was so much to be done from a social, communal and humanitarian point of view, especially after the devastating Beirut port explosion; restraining due to all the business constraints which naturally resulted from the multi-faceted crisis the country is deeply plunged in

The spillover effects of the COVID-19 pandemic, compounded with the impact of the Lebanese crisis, prompted the Bank to further restrict its development. In the absence of a credible and comprehensive macro-financial reform program to resolve the Lebanese crisis, and in light of the prevailing market uncertainties, it remains extremely difficult to build accurate future plans regarding the Bank's business model and its wider strategy.

While watching events unfold around us, our priorities changed. Since early 2020, they geared towards the consolidation and de-risking of the domestic franchise and operations, the strengthening of capital buffers, and the ring-fencing of foreign entities and branches from Lebanon spillover effects, while fully meeting the newly arising regulatory requirements.

On an operational level, Bank Audi has taken rapid action to navigate the volatility across its markets of operations while factoring in frequent and wide-ranging regulatory developments. The main objectives of the Bank have been to support clients' business continuity while ensuring adequate portfolio quality. Bank Audi has strived to provide banking support to its Corporate and Commercial Banking clients to safeguard business continuity, and proactively deleverage the corporate and commercial portfolio, in line with the economic slowdowns witnessed across the market of presence while ensuring proper portfolio quality. The Bank also leveraged its strong digital leadership position across its entities to accelerate customer alternative delivery channel engagement. In this respect, all entities worked on three main COVID-19 management fronts: (1) providing sufficient branch working hours while adhering to top level hygiene and safety precaution protocols; (2) expanding digitalisation by encouraging and supporting customers to use alternative delivery channels and avoid physical presence at branches; and (3) optimising back office working capacity while providing remote working setup for employees.

As a result, customers' banking needs were promptly attended for in an uninterrupted manner through the Bank's fully integrated 24/7 Contact Centre and Alternative Delivery Channels (ADCs). Contact Center agents not only answered all clients' inquiries efficiently, but also contacted back all unanswered calls that reached in total 7,000 per day at its peak, and executed specific banking operations. Our teams introduced new services, increased limits, and replenished ATMs around the clock, while NOVO agents digitally performed several on-site transactions such as debit card issuance and delivery, sub-account opening for companies to transfer employees' salaries, cash transactions, emergency money transfers, salary payments for retired individuals, as well as credit card replacement and renewal. The somewhat unseen value of the crisis is that the events ensured a smooth migration to ADCs and directed customers to self- service platforms.

Embracing challenges did not deviate us from maintaining our commitment to ethical business principles including women empowerment and gender equality, and to Sustainable Development Goals (SDGs) which reflect priority issues of poverty, health and safety, inequality, economic challenges, and climate change, and pave the way to more community support.

We tackled the two major social challenges by offering our support as frontline healthcare workers and institutions that dealt with pandemic-related relief by contributing to the telethon fundraising campaign for the Hariri Hospital, the Red Cross and the Civil Defense. By the same token, we donated locally produced ventilators to seven other renowned hospitals across the country to help fill their gap in equipment needs.

As for the Beirut port blast, our action started immediately after the explosion, with volunteering efforts in response to the different calls for help by NGOs and other neighbourhood organisations to clean rubble and help restore residences, donate blood, food and clothes, as well as raise funds for reconstruction. We also partnered with "Offre-Joie", one of the major reconstruction NGOs acting on the ground, and heavily contributed in supporting the rehabilitation of destroyed residences in two poor districts, Quarantina and Gemayzeh.

The past year has been uniquely confronting for the customers and communities we serve, dealing with disruptions unparalleled in most of our lifetimes, which prompted organisations like Bank Audi to review their business model. Priority focus was given, more than ever, to improving governance, accountability and culture. We are making sustainable progress in setting in place new and right foundations. The road ahead appears to be long and fraught with bumps, but we remain confident in our ability to weather this storm and achieve the best possible outcome given the circumstances.

In closing and on behalf of the Board of Directors, we would like to thank our customers for their continuous patience and understanding, our employees for their exemplary dedication, and our shareholders for their permanent support.

Stay healthy and safe.

Samir N. Hanna
Chairman and Group Chief Executive Officer

EMBRACING CHALLENGES

In retrospect of the last 24 months, where we stood when we published our last CSR Report in June 2019 and where we stand today as the pandemic shrivels away, leaving society shyly coming back to "life", one can only be apprehensive of all the good and the ugly surrounding us.

Certainly, we cannot deny the civic initiatives which sprung from all the material issues analysed as we engaged with our various stakeholders. Always benchmarking with global norms and international standards, our intentions which lead us are entrenched in the values we uphold throughout, even in challenging times!

We maintain our pledge to integrate our SDGs whenever possible into the business strategy as a complement to our social strategy culture which gives us a sense of belonging and allows us to remain focused and purpose-driven, all while inviting for more awareness and dialogue on issues for change.

In fact, our initial and proactive approach with regards to assisting communities in being more resilient was always essential but cannot supersede our compliance to regulations mandating priorities and affecting our performance. Responsibility, empathy and impact are still embedded in Bank Audi's values through our five sustainability pillars: Corporate Governance, Economic Development, Community Development, Human Development, and Environmental Protection.

We maintain our affinity to the UN Global Compact and its local steering network where we have served as Board members, the ISO 26000 of Social Responsibility and our pledge to the Sustainable Development Goals (SDGs). In reality, the SDGs we tender towards span wider than the specific goals we have chosen to advance on, where impact reaches 11 out of the 17 set goals. Here, one can also note the inherent interconnectedness of the goals and how actions undertaken to reach a target within a goal may spillover to other targets identified within different goals.

Since 2015, Bank Audi has chosen to pledge towards five SDGs, namely SDG 4, SDG 5, SDG 8, SDG 9, and SDG13. As of December 2020, we embarked on SDG Ambition Accelerator as part of the UNGC Global Track aimed at defiant results for the 2030 agenda.

The challenges of the last 18 months have laid bare the inequities that have impeded our community and led to many-fold vulnerabilities. We cannot ignore the role our own industry has played in contributing to these disparities.

Nevertheless, we partnered with the National Poverty Targeting Program (NPTP), to benefit 13,600 vulnerable persons with food assistance. Another instance of mass support was through LBP 4 billion in contributions to renowned health-care institutions for pandemic-related relief. Also, 26 moto ambulances were donated to the Civil Defense and intervened in over 1000 emergency incidents across Lebanon.

Additionally, we embraced the challenge imposed by the pandemic of protecting the health and safety of our human capital, providing mental and social support, and mitigating cyber risks while working from home.

The Beirut port blast and its repercussions affected both our internal and external communities as we raised the new challenges of offering support in various initiatives ranging from hands-on volunteering to financial contributions and recollection of destroyed art. We also stimulated citizenship by highlighting the prominent personalities that helped shape Lebanon over the last 100 years, as part of the centennial celebrations.

Internally, we used our corporate voice to drive change for the benefit of diversity, equality and inclusion as advancement on our commitment to Women Empowerment Principles (WEPs) Targeting Gender Equality (TGE) across all levels of Management. At this time of introversion, we also tackled our responsible sourcing by fine-tuning our procurement policy.

When viewing our environmental assessment, the pandemic contributed to a reduction of our emissions as all travel was grounded and work from home was implemented.

Our engagement with others as agents of change is also noted through our collaboration with Univeristé Saint-Joseph and its Faculty of Economy on the proposed CSR draft law deposited for vote at Parliament, to create a CSR label and other incentivising government measures aiming at recognising and rewarding sustainable projects mandated from the private sector.

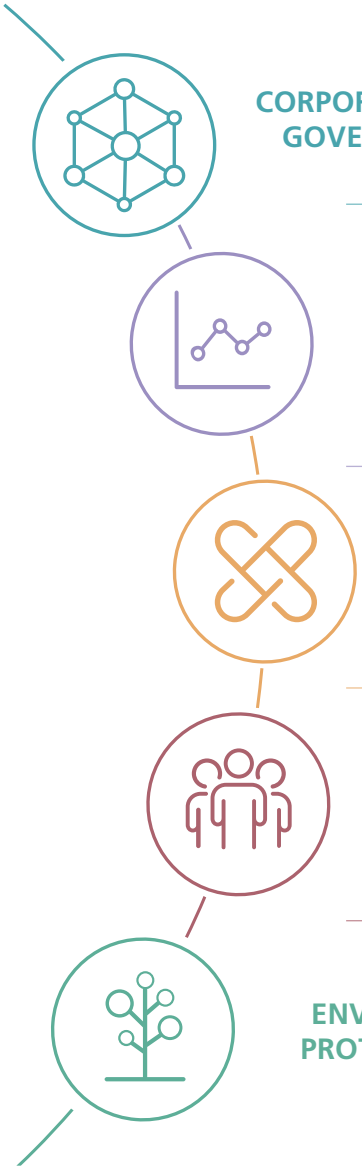
We're entrusted to uphold our corporate values and our core business capabilities — and strategic philanthropy — to address societal challenges head-on.

Underpinning all this is the commitment of our investors to a culture that embraces challenges. This report illustrates how our people and planet activities, our performance and approach for the calendar years of 2019 and 2020, have been focused on the issues we determined to be of material importance.

Responsibly,

Hasmig G. Khoury
Head of CSR

THE FIVE PILLARS OF OUR CSR STRATEGY



CORPORATE GOVERNANCE

- Ethical conduct
- Compliance
- Anti-corruption
- Human rights
- Environmental and Social Management System

ECONOMIC DEVELOPMENT

- Product portfolio
- Economic contribution
- Indirect economic impacts
- Procurement practices
- Market presence
- Product responsibility
- Infrastructure investments
- Inclusive and sustainable industrialisation
- Innovation

COMMUNITY DEVELOPMENT

- Financial literacy
- Local community development
- Local community support
- Local community collaboration

HUMAN DEVELOPMENT

- Labour practices
- Diversity, inclusion and equal opportunity
- Training, education and talent development
- External human development

ENVIRONMENTAL PROTECTION

- Emissions
- Effluents and waste
- Energy consumption
- Environmental loans
- Awareness on resources' usage

OUR CSR MILESTONES

2010
Forming a CSR unit

2011
Establishing a CSR Committee

2012
Conceiving a CSR policy

Crafting a CSR strategy

Piloting ISO 26000

Devising 4 CSR pillars

2013
Adopting GRI G4 Guidelines: Core

Updating to 5 CSR pillars

Furthering institutionalisation

2014
Adopting Environmental & Social Management System (ESMS)

Adhering to GRI: Organisational Stakeholder (OS)

2015
Committing to the UN Global Compact

Founding member in the UNGC National Steering Committee

Furthering stakeholder inclusiveness

Furthering Volunteer Program

Initiating the Global Money Week

2016
Pledging to 5 of the UN Sustainable Development Goals (SDG)

Launching "My Carbon Footprint" microsite across schools nationwide

Updating GRI: Gold Community

Published as case study by Ivery Publishing (Canada)

Initial signatory of Lebanon Climate Act

GRI Standards pioneer

2017
SME business line as empowerment to the nation's economic infrastructure

Launching the "Let's Talk Money" quiz

Accessibility improvements for physically disabled to ATMs and branches

Lebanon Climate Act - Climate Change Champion

Pledging Goal leader to SDG 8 at UN GCNL

Engaging millennials in our Corporate Volunteer Program through "Spring"

2018
Expanding the delivery of INJAZ "More Than Money" across Lebanon

Initiating the Water Awareness Stewardship

Contributing to the Voluntary SDG Country Report

Winning the SEA Award on the "Social Impact of Financial Inclusion" project

Partnering with EBRD Green Economy Financing Facility (GEFF) to provide USD 200 million

Energy Ambassador Award granted by the International Beirut Energy Forum

2019
Engaging our Spring community in corporate volunteering and need-based workshops

Expanding the Global Money Week to reach rural areas

Launching 16 moto ambulances for the benefit of the Civil Defense

Empowering rural women through SME programs

Pursuing SDG 8 as Goal Leader

Participating in the UN Global Compact Young SDG Innovators Program (YSIP)

Collaborating with the Ministry of Environment in the national beach cleaning campaign with 170 volunteers

Supporting the Lebanese Ministry of Foreign Affairs and Emigrants through the Lebanese Diaspora Energy events held abroad

Setting benchmarks in innovation through our digital platforms

2020
Volunteering in times of need

Committing to Women Empowerment Principles

Targeting Gender Equality across all levels of Management

Reducing emissions

Humanitarian payment solutions

Safeguarding our human capital during COVID

Marking Lebanon's Centenary

Lobbying for a CSR law

ABOUT BANK AUDI

Bank Audi sal ("Bank Audi") is a leading Lebanese banking group with a universal banking profile. Founded in 1830 in Sidon, Southern Lebanon, the Bank was incorporated in its present form in 1962 as a private joint stock company with limited liability ("société anonyme libanaise").

Bank Audi offers universal banking products and services covering Corporate, Commercial, Individual and Private Banking services to a diversified client base, mainly in the MENA region. In addition to its historic presence in Lebanon, Switzerland and France, the Bank has continuing operations in Saudi Arabia, Qatar, Abu Dhabi (through a representative office) and Turkey. In January 2021, the Bank has signed definitive agreements for the sale of its operation in Egypt. In March 2021, The Bank completed the sale of its branch networks in Iraq and Jordan. Excluding the latter discontinued operations, the Group serves 0.9 million customers through a talent pool of 3,931 staff and a network of 125 branches and 494 advanced self-service machines (ITMs, ATMs and "NOVO e-branch" (fully electronic branches allowing the Bank to offer, in addition to transactional activities, advisory to clients enabling them to apply for loans and services outside the Bank's normal working hours)), and digital channels (Online and Mobile Banking).

The initial shareholders of the Bank were members of the Audi family, together with Kuwaiti investors. Today, the shareholder base comprises more than 1,500 holders of common shares and Global Depositary Receipts (representing common shares), including individual investors, institutional investors and two supranational agencies.

In December 2020, Audi Investment Bank sal and Audi Private Bank sal were merged with Bank Audi sal. Additionally, in December 2020 as well, Bank Audi signed definitive agreements with Capital Bank of Jordan and National Bank of Iraq – a subsidiary of Capital Bank – for the sale of Bank Audi sal – Jordan Branches and Bank Audi sal – Iraq Branches respectively. These transactions were completed in March 2021.

The severe economic and fiscal crisis hitting Lebanon with unprecedented impact for more than sixteen months now, coupled with a persisting absence of clear national fiscal and economic recovery plan, has and continues to create excessive uncertainties. The COVID-19 pandemic, the explosion of the Beirut port, as well as the prevailing deep recession, the multitude of exchange rates and hyperinflation, are adding up to the severity of the economic downturn, further increasing the uncertainties and volatility. Bank Audi continues to exert extended efforts to consolidate its financial position and reinforce its financial standing with the objective of setting a roadmap to address the requirements of BDL Basic Circular 154 and Intermediate Circular 567, and obtaining the regulatory approval on it.

Consolidated assets of Bank Audi contracted by 10.4% in 2020, from USD 39.5 billion as at end-December 2019 to USD 35.4 billion as at end-December 2020, and reached USD 44.2 billion when including fiduciary deposits, security accounts and AuMs. Bank Audi reported a net loss of USD 145 million in 2020 compared to a net loss of USD 602 million in 2019.

Those losses arise from the one-off costs associated with a number of remedial measures taken by the Bank in the face of the Lebanese Crisis which amounted to USD 1.1 billion in 2019 and USD 754 million in 2020. Adjusted to those flows tied to the Lebanese Crisis, consolidated net profits of Bank Audi would have moved from USD 489 million in 2019 to USD 609 million in 2020, representing an increase by USD 120 million or 24%.

Notwithstanding, the financial position of the Group does not reflect the adjustments that would be required by IFRS as a result of the government fallout, the deep recession, the currency crisis and the hyperinflation. Due to the high levels of uncertainties, Management is unable to estimate in a reasonable manner or within a reasonable timeframe the adverse impact of the aforementioned matters on the Bank's financial position and equity which it anticipates to be material.

The past year has been uniquely confronting for the customers and communities we serve. We all had to deal with disruptions unparalleled in most of our lifetimes, which prompted organisations like Bank Audi to review their business model. Priority focus was given, more than ever, to improving governance, accountability and culture. We are making sustainable progress by working towards setting in place new and right foundations. The road ahead appears to be long and fraught with bumps, but we remain confident in our ability to weather this storm and achieve the best possible outcome given the circumstances.

COMPOSITION OF THE BOARD OF DIRECTORS OF BANK AUDI sal

Mr. Samir N. HANNA	(Chairman of the Board – General Manager, Group CEO)
Dr. Marwan M. GHANDOUR	(Vice-Chairman)
Mr. Marc J. AUDI	(Vice-Chairman)
Sheikha Mariam N. AL SABBAH	
Dr. Imad I. ITANI	
Mr. Abdullah I. AL HOBAYB	
Dr. Khalil M. BITAR	
Ms. Sherine R. AUDI	
Mr. Carlos A. OBEID	

Major changes in 2019:

- *Dr. Freddie Baz resigned from his Board membership starting 2 July 2019.*
- *Mr. Aristidis Vourakis resigned from his Board membership starting 6 November 2019.*

No changes were brought to the composition of the Board of Directors during the year 2020.

OUR COMMITMENT TO SDGs

The 17 Sustainable Development Goals (SDGs) are an ambitious agenda that all countries in the world are expected to reach by 2030. They take a holistic approach to sustainable growth and development, and address the most urgent issues facing humanity today: economic disparity, climate change, and political and social instability. While broadly written, the goals themselves are meant to be all-encompassing to spur participation from nations, municipalities, private sector companies and non-profits. The 2030 Agenda specifically cites businesses as "major drivers of productivity, inclusive economic growth and job creation."

The 2019 Arab Region SDG Index describes the Arab region countries' progress towards achieving the SDGs and indicates areas requiring faster progress. Lebanon scores 63% and is sixth in position within the Arab Region, lagging behind Algeria (66.7%), UAE, Morocco, Tunisia and Jordan - meaning that they are approximately two-thirds of the way to achieving the SDGs*.

As a financial institution, and although our sphere of influence impacts 11 of the 17 goals, Bank Audi has chosen to champion the following SDGs since 2016. We know we have a pivotal role to play in helping our community realise SDGs.

In brief: through SDG 4, we support a number of dedicated institutions and are implicated in the pursuit of education for all. SDG 5 witnesses our commitment to gender equality, both internally and externally. SDG 8 represents our belief in empowerment and lifelong growth. SDG 9 ensures innovative infrastructure across our business operations. And through SDG 13, we play a part in tackling climate change.

Throughout our report, relevant SDGs have been mapped within our five strategic pillars and material issues. Our committed sustainability can be traced through our actions, our KPIs and the indicators we have

carefully selected to assess and report upon. These SDGs integrate our economic, social and environmental ideals, and allow us to visualise impactful and sustainable progress in the areas of contribution and beyond due to overlaps.

Our trust in SDGs has led us to participate in the new SDG Ambition accelerator programme to unlock business value, build resilience, and enable long-term growth with a unique window of opportunity to develop post-pandemic business strategies that fully integrate SDGs and help build more inclusive and sustainable societies. As such, we look forward to the opportunity of deepening our integration of SDGs and the UN Global Compact's Ten Principles where we are engaged as participants and with our Global Compact Local Network.

STAKEHOLDERS' ENGAGEMENT

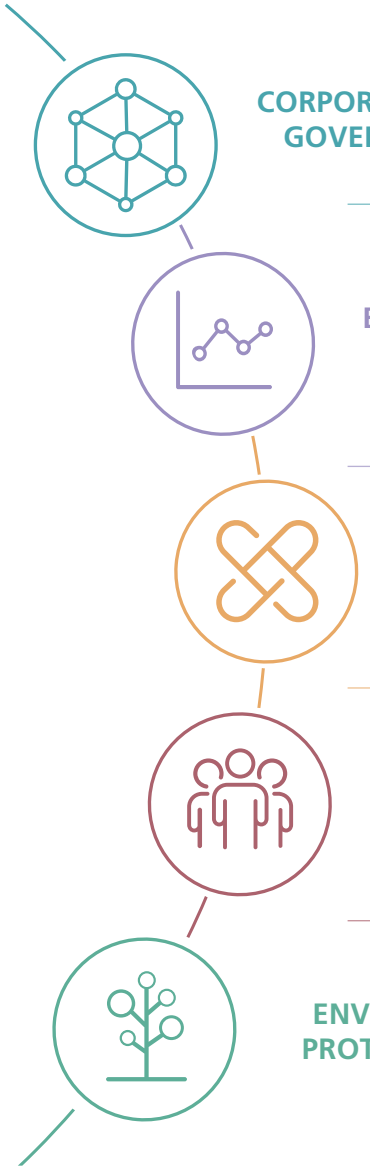
Recognising the value of each stakeholder, Bank Audi made sure to continuously engage its external and internal stakeholders, to seek their critical input, and to monitor their expectations. Therefore, and due to exceptional times, we opted for a customised anonymous survey where the mass public perception was measured in reflection of its awareness and priorities. The intention was to proactively identify important gaps and alter directions for the future within the scope of a citizenship approach. This e-tool generated a better understanding of our stakeholders' concerns and perspectives on key issues within our perception of business value creation, and will catalyse innovative ways to improve social and environmental impacts we make.

The main takeaways revolved around:

- The importance of focusing on local production.
- The priority of family well-being.
- People's desire to be part of solutions.
- Awareness on CSR, its contributions and public affinity.
- Education and health as unarguable priorities.
- Further CSR marketing and reporting.
- Promoting financial literacy.
- Supporting vocational training, job training and career mentoring.
- Providing training programs in readiness for women leadership.
- Maintaining and expanding renewable energy investments.
- Furthering public-private collaboration.
- Highlighting pro-bono contributions rather than cash contributions.

** Luomi, M., Fuller, G., Dahan, L., Lisboa Båsund, K., de la Mothe Karoubi, E. and Lafortune, G. 2019. Arab Region SDG Index and Dashboards Report 2019. Abu Dhabi and New York: SDG Centre of Excellence for the Arab Region/Emirates Diplomatic Academy and Sustainable Development Solutions Network.*

CSR AT A GLANCE AT END 2020



CORPORATE GOVERNANCE

Environmental and Social Management System (ESMS)

Complying with International Standards:
- ISO 26000

- UN Global Compact
- UN Women Empowerment Principles

- Sustainable Development Goals (SDGs)
- SDG 8 Goal Leader

ECONOMIC DEVELOPMENT

2,642 employees

LBP 318 billion in taxes when accounting for income tax, municipal taxes, VAT, etc.

Developing financial literacy

Fostering digital solutions

LBP 2.3 billion in indirect economic impact

38 products
20 services

191 publicly accessible ATMs

69 operational branches

COMMUNITY DEVELOPMENT

LBP 26.5 billion total contributions to our community

- **LBP 5.5 billion** on health
- **LBP 19.4 billion** on humanitarian and social issues

- **LBP 1.5 billion** on culture

Financial literacy

Financial independence

Volunteer Program:
- **13** NGOs
- **491** volunteers

HUMAN DEVELOPMENT

LBP 1.2 billion in training for our employees

LBP 28 billion in educational programs

Over 160,000 beneficiaries

Diversity, inclusion and equal opportunity

47% female employees

Quality Program

ENVIRONMENTAL PROTECTION

LBP 6.6 billion in environmental loans

Grow Green

Carbon Footprint monitoring

LBP 138 million in environmental projects support

CORPORATE GOVERNANCE

Ethical conduct

Anti-corruption

Environmental and Social management system

Compliance

Human rights

Our Corporate Governance practices and policies are at the heart of our business model and provide the transparency we consistently aspire to uphold.

551
EMPLOYEES ATTENDED TRAININGS ON ENVIRONMENTAL TOPICS

1,566
TRAINING HOURS WERE SPENT ON ENVIRONMENTAL TOPICS

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

REINFORCING OUR COMMITMENT TO ESMS

At Bank Audi, we consider it our obligation to reduce any negative impacts on the environment and the communities which may be affected by the activities we finance. Throughout the last period, we continued the implementation of our Environmental & Social Management System (ESMS) in alignment with international standards. Our ESMS, which is fully integrated into core credit operations and supported by Senior Management, allows us to assess, mitigate and monitor E&S risks in the Bank's lending portfolio.

In an initiative to continuously reinforce our understanding of E&S issues and build internal capacity, we have offered, in the course of 2019, an E&S risk management training to different departments and functions at the Bank. The training was facilitated by EBRD and delivered by internationally renowned E&S consultants. The focus of the training was on E&S issues in sectors in which the Bank intends to grow.

Bank Audi has reported on its environmental performance during the last period as part of its commitments to provide annual environmental performance reports to its partners and shareholders. Those reports include portfolio information broken down by industry sector and transaction type, as well as implementation of Bank Audi's ESMS. Bank Audi values imply that we keep an open dialogue on our ESMS with international FIs in order to benefit from their global expertise and contributions to international standards and best practice.

SUSTAINABLE FINANCE

Bank Audi understands its obligations to contribute to a sustainable economy through financing clean energy solutions and promoting environmental sustainability. We also recognise our responsibility to respect human rights in our own activities and, indirectly, through our clients' activities.

Despite the difficult economic and operating conditions, we managed, during this reporting period, to grant 11 environmental and social loans in 2019 in different sectors.

ETHICAL CONDUCT

Our Code of Ethics and Conduct clearly upholds the principles of non-discrimination and of a violence and harassment-free workplace. It is worth mentioning that no breaches or fines were reported in this respect.

COMPLIANCE AND ANTI-CORRUPTION

Since the beginning of 2019, Lebanon was facing different challenges on various fronts (political, economic, monetary, and social) which led to a financial crisis that is changing the landscape.

The depth and duration of the crisis shook the confidence of clients in the banking industry, among others. As a result, rebuilding trust will dominate the Group's agenda for the next period.

Accordingly, Bank Audi is adding to its core guiding values the importance of clear and consistent communication: we recorded a host of online videos and press releases, launched our social media platforms, and had staff fielding client inquiries.

Thus Bank Audi takes all necessary measures to comply with various regulations including:
- Laws and regulations adopted by a governmental regulatory body.
- Standards adopted by a self-regulatory body to which a business or entity has agreed to subject itself.
- Directives contained in our Compliance policies and our Code of Ethics and Conduct.

As precautionary measures and as part of the Bank's lending activities, every credit transaction above a certain amount is subject to a credit risk opinion which is issued by functions that are independent from the credit originating functions. This helps ensure that the credit transactions and resulting risk profile are compliant with the Bank's credit policy and risk appetite. In line with its credit policy, the Bank also refrains from financing activities that are unethical and/or illegal, which may present significant potential negative impacts on the environment, and/or may result in significant potential negative social impacts.

Training our staff on anti-corruption issues is essential to the maintenance of our principles of responsible banking. Hence, during the reporting period, 1,411 members of our staff attended 65 sessions on anti-corruption.

HUMAN RIGHTS

The Bank endorses and supports internationally recognised principles under the Universal Declaration of Human Rights which promotes global respect for human rights and fundamental freedoms for all, without distinction of race, colour, gender, language, religion, opinion, descent, or national or ethnic origin **(read more)**.

As a business, we need to demonstrate that we are aware of human rights which constitute a global issue. The concept of "due diligence" was proposed and found to be a useful starting point for companies as they seek to integrate respect for human rights into their practices. Similarly, with the right to privacy, any company should know that it has potential adverse impacts on human rights, whether from handling data or from registering and using customer information.

Additionally, in 2019, 450 interns were trained on human rights policies which the Bank abides by.

Preventing Violent Extremism

As part of the National Strategy for Preventing Violent Extremism (PVE) which was approved in 2018 by the Lebanese Council of Ministers under a United Nations global action plan, an awareness survey was launched both internally and externally with the aim of engaging a variety of stakeholders. Bank Audi, among other financial institutions, civil society, academic and international organisations, partnered with the National Coordination Unit for PVE to implement this nation-wide awareness about its strategy and the role of the banking sector in the stability and inclusivity of the Lebanese society. A reach of 378,532 was achieved.

YOUNG SDG INNOVATORS PROGRAM (YSIP)

As part of its commitment to the United Nations Global Compact (UNGC) and being an active board member of the Global Compact Network Lebanon (GCNL), Bank Audi applied for the Young SDG Innovators Program (YSIP), a 9-month program extending from October 2019 to June 2020. This program is designed to stimulate future business leaders and changemakers to develop and drive innovative solutions through new technologies, initiatives, and business models, and deliver on their company's sustainability objectives to achieve the Sustainable Development Goals (SDGs). Each participating company was required to choose an Innovator Team of three members guided by a Champion.

Multiple selection criteria defined the selection among 72 employees who showed interest in the program and were henceforth initiated, together with their champion and mentor, to embark on their challenge and find a practical and explicit solution aligned to SDG 8 – Decent Work and Economic Growth which Bank Audi leads at the SDG Council.

This program allowed participants to:

- Engage in accelerated learning opportunities that include online and in-person workshops, case studies, company visits and forum discussions.

- Connect with other business units and collaborate on innovative projects relative to both the company and industry.

- Build work relationships through coaching, mentoring and peer-to-peer networking opportunities, and learn from some of the brightest minds working on sustainability and innovation from around the world.

- Be part of a global network of leading young professionals from some of the top companies across every continent.

YSIP Bank Audi team

ECONOMIC DEVELOPMENT

Innovation

Product Portfolio

Infrastructure investments

Economic contribution

Market presence

Indirect economic impacts

Inclusive and sustainable industrialisation

Procurement practices

Local community development

Product responsibility

In conformity with our philosophy of creating shared value, we sustain our social impact by contributing to assessed community needs.

ECONOMIC CONTRIBUTION

2,642

TOTAL NUMBER OF EMPLOYEES (31/12/2020)

THE LEBANESE ECONOMY: A READING INTO FACTS AND FIGURES

On 5 August 2019, a special report was published by our Group Research team inviting readers to understand Lebanon's risk profile, notably at the level of tourism, foreign trade, monetary, banking and fiscal conditions, thus helping to offset Lebanon's persistent imbalances and generally be up-to-date with the country's economic situation.

SECTORIAL SUBSIDIES

Bank Audi's activity in the realm of BDL subsidies represent nearly 50% of all banks' participation under the program with transactions facilitated north of USD 1 billion. Since November 2019, and under BDL Circular 530 referring to oil, pharmaceutical and wheat subsided, BDL Circular 535 for medical supplies subsidy, as well as BDL Circulars 556 and 564 for industrial support and food basket subsidy, an aggregated amount of USD 1,065,346,000, representing 1,980 transactions have been facilitated by Bank Audi.

SUPPORTING LEBANESE MANUFACTURING INDUSTRIES

As the financial crisis hit the Lebanese economy, the manufacturing industry was heavily impacted. The COVID-19 pandemic that followed also aggravated the situation. All eyes were on reviving and developing key sectors such as agriculture and industry, the latter becoming a key pillar of all rescue and recovery plans discussed.

It is worth noting that in 2019, industrial exports accounted for 95% of total Lebanese exports amounting to USD 3.7 billion (according to the Investment Development Authority of Lebanon - IDAL). This figure might seem insignificant in comparison to the size and volume of imports, USD 19.2 billion.

To assist in countering the crisis effect, Bank Audi launched in May 2020 an initiative targeting its 500+ manufacturing clients with the main objective of supporting them throughout these critical times. The targeted companies are well diversified in regards to size, business and location. The Bank's initiative is based on:

- Reducing debtor interest rates.
- Rescheduling loan repayments beyond the Central Bank's initiative.
- Providing additional financial facilities for business continuity and employee payroll.
- Suspending legal measures against defaulting firms.

The Minister of Industry praised on twitter the initiative of Bank Audi and invited other banks to follow. The Association of Banks of Lebanon responded to the request by adopting the main terms of the initiative with minor deviations.

> ***Bank Audi has started contacting companies, namely corporate, commercial and SME clients operating in the industrial manufacturing sector and that have no exports or external shareholder support. The feedback is very positive as this initiative helps lessen the cashflow burden on clients, especially with the decrease of interest rates and the rescheduling of repayments.***
>
> **Jean Traboulsi,** Head of Marketing

SME BANKING

Empowering Women

In 2019, Bank Audi supported "SHE Min Lebnen", a project in 2019 developed by The Blessings Foundation to empower women in rural Lebanese areas. It does so by offering them the top artistic and professional training to develop and sustain their businesses, by helping them achieve a goal they set and giving them inspiration to become change-makers in their community through a shadowing day the rural woman spends at her mentor's workplace. So far, a network of over 780 women from rural Lebanon and 200 mentoring relationships were formed. This project creates employment, offers women in rural areas financial independence, and hence improves standards of living and strengthens families. SDG 8 – Decent Work and Economic Growth, and SDG 5 – Gender Equality are well targeted by such projects, which explains Bank Audi's interest.

We offered support to "SHE Min Lebnen"'s project through several practical training sessions held in Beirut and the Bekaa, in collaboration with Spearhead marketing and communications agency. The workshops focused on product marketing, covering essentials like branding, digital presence, photography and pricing.

The ladies brought in their products to learn how to take proper photos and to better portray their image and brand, before setting up an Instagram account for which they learned how to write impactful captions.

Supporting "SHE Min Lebnen"

> ***The objective of our initiative with "SHE Min Lebnen" is to emphasize our social responsibility and women empowerment initiatives, in addition to our support of very small scale businesses. We want to give every lady who works under the "SHE Min Lebnen" umbrella the chance to participate in such a training and to learn more about the impact of social media, branding and pricing on business growth and sustainability.***
>
> **Hassan Sabbah,** Head of SME Banking

EBRD SUPPORTS TRADE IN LEBANON

Strengthening trade from and within Lebanon, the Trade Facilitation Programme (TFP) of the European Bank for Reconstruction and Development (EBRD) provided a USD 65 million trade finance line to Bank Audi, making it the third issuing bank in Lebanon.

This agreement allows Bank Audi to benefit from EBRD's trade finance guarantees which cover the political and commercial payment risk of trade transactions. The facility will support regional integration through trade and increased access to finance for importing and exporting firms in Lebanon, especially small and medium-sized enterprises.

Launched in 1999, the EBRD's TFP aims to promote foreign trade to, from and among the EBRD regions. Through the Programme, the EBRD has financed more than 27,000 foreign trade transactions for a total of more than €22.5 billion. Currently, over 125 issuing banks in 30 countries participate in the Programme, together with over 800 confirming banks and their subsidiaries around the world.

HUMANITARIAN PAYMENT SOLUTION

Business practices took in consideration the Bank's CSR objectives when approaching current market trends.

In this regard and in the actual economic situation, we strengthened our relations with international humanitarian organisations, as well as with local NGOs, providing advice and financial solutions in light with the growing need for cash assistance to families in need.

In fact, Bank Audi has a sound experience in advising and assisting international organisations and NGOs to find the appropriate solutions to ensure transparent and smooth end-to-end payments to organisations' employees, partners, suppliers and service providers preserving the freshness of fund.

Bank Audi built a payment model enabling NGOs to implement cash assistance programs preserving to a high extent ultimate beneficiary purchasing power. The cash assistance payment model integrates solutions for the arising safety and security challenges facing ultimate beneficiaries at cashpoints.

Account

The External account is an account that allows its holder to receive external funds from abroad through our correspondent banks or from another External Account while preserving the freshness of funds.

Prepaid Card

A program that enables us to cater for NGO beneficiaries. These cards allows the beneficiary either to withdraw cash and get access to their salaries/donations from an ATM machine or to purchase via POS/E-commerce at merchants.
The card can be catered and designed according to the NGO program, offering consumer needs and business requirements.
The system's backend is based on micro services that integrate with all the different agents needed in a specific solution.
This solution has a civic role since it targets the unbanked population.

Cash over the Counter

Is a tool used to pay cash over the counter to beneficiaries, suppliers, volunteers, partners etc. who are not holding accounts. We call this product Telegraphic Transfer (TT).

INDIRECT ECONOMIC IMPACTS

MICROFINANCE PARTNERS

Bank Audi contributes to the socio-economic support granted to rural economics through respectable and active associations. such as the Association for the Development of Rural Capacities (ADR) that extends microfinance loans in Lebanese Pounds to the underprivileged at significantly reduced interest rates. ADR is a Lebanese non-profit organisation established in 1998 with a mission to develop, empower and integrate marginalised people through sustainable economic and social development by facilitating access to financial services, training, and tools through supporting income-generating projects. Beneficiaries are small entrepreneurs, small farmers, local fishermen, rural women, and the youth from the most impoverished areas in Lebanon.

Through the 2019 collateral program, the disbursement outreach was 801 SME beneficiaries who were granted loans for a total amount of USD 1,864,989. 31% of beneficiaries were rural women entrepreneurs who received loans amounting to USD 583,415. 320 young borrowers (40% of the beneficiaries) aged between 18 and 35 years benefitted from loans amounting to USD 674,353.

ECONOMIC SPONSORSHIPS

Shortening the Distance with the Lebanese Diaspora

Many individuals and families with Lebanese origins have made their homes in far off nations. The Lebanese Diaspora Energy (LDE) initiative was launched in an effort to reconnect them with their roots.

Bank Audi participated in the 2019 LDE summit held in June, under the High Patronage of the President of the Lebanese Republic.

Members of Bank Audi Group, alongside representatives of the Lebanese Ministry of Tourism and Foreign Affairs, different leaders, and organisations from various fields, were present to encourage the Lebanese diaspora to invest in Lebanon.

Connecting with the Lebanese Diaspora across North America

In the same spirit, the Lebanese Ministry of Foreign Affairs and Emigrants and the Lebanese Diaspora Energy organised the 4th regional edition of the LDE-North America meeting in September 2019.

Held in Washington DC, the event was attended by over 800 Lebanese diaspora members who came from all over the United States and Canada.

World Exchange Congress

Organised by the Capital Markets Authorities and with Bank Audi as strategic partner, the World Exchange Congress 2019 gathered over 500 senior representatives of the world's exchange, capital markets authorities, clearing houses and digital technology providers for two days of discussions, debates and networking in Beirut.

The theme of the event was the reinvention of the modern-day trading venue, as market participants transition towards diversifying revenue streams through data ownership, embracing new technologies and attracting new customers.

Arab Economic Forum

Under the patronage of the Prime Minister, Al-Iktissad Wal-Aamal Group organised the 27th edition of the Arab Economic Forum in Beirut.

The forum attracted a large number of senior officials among whom the Egyptian Prime Minister, heading a delegation of senior government officials, Corporate Banking and investment leaders, as well as experts from several Arab and foreign countries.

The 2019 edition was particularly important as presented the major challenges facing the region and its economies due to the political climate. Platinum Sponsor of the event, Bank Audi reflected the Bank's innovative and technology-driven image.

Arab Economic Forum

INFRASTRUCTURE INVESTMENTS

The Lebanon international Oil & Gas Summit

The 5th annual Lebanon international Oil & Gas summit event gained attention following the announcement of the consortium comprised of Total, ENI and Novatek (which was awarded blocs 4 and 9 in the first licensing round) to commence drilling for gas in Q1 2020.

The event was attended by representatives of the Lebanese Petroleum Administration (LPA), the governing body of the Oil & Gas sector in Lebanon, as well as international players in the industry such as Schlumberger, Baker Hughes (GE), Siemens, Wartsila, in addition to EBRD and other financial institutions. The summit, which touched upon the latest developments in the Lebanese oil and gas sector, also explored the sector's strategic steps, potential markets in case of commercially viable discoveries, and various options to monetise natural gas, starting with providing cheaper energy to the electricity sector.

PRODUCT PORTFOLIO

SPRING ACCOUNT

Bank Audi created a youthful community through the Spring Account targeting 18 to 24 year-olds.

To date, about 1,200 individuals have attended workshops, several of which were organised in partnership with INJAZ Lebanon, an NGO that inspires and equips youth with the needed skills and mindset to become the entrepreneurs and business leaders of tomorrow in their local communities.

Spring customers also participated in different CSR activities.

Springers are offered various workshops that tackle innovation, success, and financial literacy which aim at strengthening their skills for a prepared future.

"7 Ways to Succeed" Workshop delivered by Formatech, motivated the youth to be successful throughout their careers by visualising their long-term personal and professional goals, enhancing their time management skills and strengthening their communication skills.

Digital Skills Program Workshop, an MIT-developed platform "Scratch" training on the first steps to animation, coding geometric shapes and pattern by digital drawing. In the second phase, Springers delivered their learnings to school students from across Lebanon, the basics of computer programming. This children-friendly program provides programming tasks and animations in a simplified way.

Lebanese Diaspora Energy (LDE)

Into the Artificial Intelligence (AI) World, an introduction to the basics of AI tools and fundamentals.

A New Marketing Era, an interactive session covering essential topics such as marketing strategy, digital marketing, budgeting, as well as the latest trends.

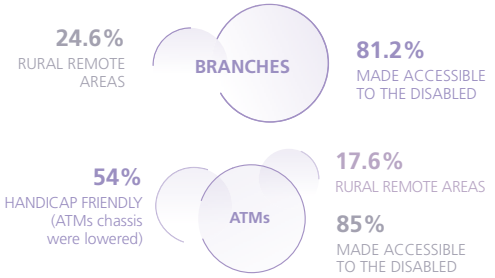
Maharat Min Google, a digital program sponsored by Google Arabia. which covered SEO/SEM applications. The program focused on giving participants insights on how to develop their online presence, to advertise, to be noticed online, to build their business online, and to learn more about the digital jobs available on the market.

Design Thinking Workshop, an interactive 1-day event training on design thinking methodology, as well as the theory behind customer-centric design and its implementation. Participants designed their solutions in teams and were mentored by Bank Audi employees, before pitching their ideas. Innovation and entrepreneurship skills were practised as creativity and great concepts were shared among the teams.

Meet and Greet – In September 2019, the Career & Development Program introduced the Meet and Greet new initiative, with a first session at Villa Audi featuring Omar Christidis, CEO of ArabNet. Springers were able to connect with him, learn more about his success story, as well as share ideas on entrepreneurship and innovation. Mr. Christidis shared tips on how to stay on top and face challenges to reach goals.

PRODUCT RESPONSIBILITY & MARKET PRESENCE

Due to increasing online fraud and in line with our essence of responsibility, a special anti-phishing campaign was designed and massively promoted to warn users and teach them to avoid such scams thanks to procedures that can be implemented and tips on how to react in case of breach.



PROCUREMENT PRACTICES

Bank Audi has strategic partnerships with the European Bank for Development and Reconstruction (EBRD) and the International Finance Corporation (IFC), and is actively engaged with other multi-lateral agencies and export credit agencies, including the European Investment Bank (EIB), the Overseas Private Investment Corporation, the World Bank, SANAD Fund for MSME, and the Green for Growth Fund, among others.

This contributes to promoting long-term financing, as well as to increasing, diversifying and lengthening the funding base for small and medium-scale projects in targeted industries, particularly renewable energy and energy efficiency. Other programs, like the Arab Trade Financing Program, aim to promote trade between Arab countries and enhance the productivity and competitiveness of Arab producers and exporters. The Arab Investment & Export Credit Guarantee Corporation is an export credit insurance and investment guarantee programme designed to support and encourage Arab exporters' efforts to increase their exports to Arab and non-Arab markets, and thus enhance inter-Arab trade and Arab exports to the rest of the world.

These relationships support the Bank's growth plans and the development of key regional subsidiaries and business market segments.

97%

OF OUR TOTAL PROCUREMENT BUDGET SPENT ON LOCAL SUPPLIERS

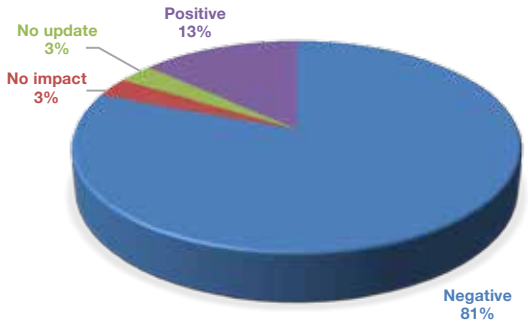
INCLUSIVE & SUSTAINABLE INDUSTRIALISATION

Bank Audi continues to support BDL's Intermediate Circular 331 through investments in venture capital funds and other similar initiatives. Bank Audi's purpose is to support Lebanon's knowledge economy sector, enhance skilled labour market development through job creation, and actively participate in the development of the start-up ecosystem (accelerators, incubators, VCs, etc.). To date, the Bank has invested in 8 VC funds and one Accelerator Fund, with a total commitment of USD 46.4 million.

Additionally, multiple workshops/meetings with different start-ups were held to find potential synergies between the Bank's needs and start-ups' offerings, and share industry knowledge with them. These can be translated into new solutions to the Bank, solutions which improve customer experience or complementary products offered to customers, which would actively contribute to the growth of these start-ups. In addition, in order to trigger the entrepreneurship spirit and innovations capabilities within the new generation, Bank Audi held design-thinking workshops for millennial customers, as well as for its own employees.

USD	2014	2015	2016	2017	2018	2019	2020
BDL circular 331 committed investments	11 million	26 million	41 million	47.6 million	48.8 million	46.4 million	46 million

COVID-19 IMPACT



Moreover, in the year 2020 the Lebanese macroeconomic environment faced substantial contraction in the economic activity, resulting from the economic crisis, the COVID-19 pandemic and exacerbated by the Beirut Port blast.

The COVID-19 pandemic affected severely and negatively most of the companies due to the nature of their business. Among the common negative effects are the incapacity of the companies to lock in new clients', the delayed services delivery, the suspension in the projects and the discontinuance of operation resulting mainly from the worldwide-enforced lockdown measures.

As a result, the investment team in charge of the 331 investments is working closely with all the funds to provide adequate support and assistance during this challenging time.

INNOVATION

As a result of multiple confinements, our call centre was highly active serving an average of 94,000 per month and peaked at 8,000 calls per day.

MOBILE BANKING

ONLINE & BANKING APPLICATION

AUDI ON-LINE AND THE BANK'S MOBILE BANKING HAVE:

126K
Registered users

39.5K
Average daily logins

102.5K
Average transactions/month

334K
Bills totalling USD 12.3 million paid by our customers since the launch (Sept.19) of our new online bill payment service

The new feature introduced in 2020 allowing online donations to 4 selected NGOs showed an engagement of 55 donors for an aggregated amount of USD 3,723.

FinTech Innovation and the Future of Banking Services Summit

In 2019, Bank Audi participated in the FinTech Innovation and the Future of Banking Services Summit, organised by the Union of Arab Banks in Jordan.

The forum relayed the experiences of successful FinTech start-ups in the region, and highlighted the role of governments, central banks, as well as regulatory and supervisory authorities in safeguarding economic and financial stability by regulating FinTech business activities and mitigating any subsequent systemic or idiosyncratic risk that may arise from the upsurge of financial technology.

The summit was attended by banking and IT experts from the Arab region and Palestine, who discussed the future of traditional financial services in light of thriving FinTech innovations. They also focused on recent developments in the FinTech sector, as well as on the factors fueling its growth in the Arab region and its crucial role in promoting financial inclusion through exploring FinTech business models, products and services.

New Banking Service in Partnership with GRGBanking and LEVANTNET

Bank Audi deployed GRGBanking's intelligent deposit machines in its branches to offer its customers more convenience and optimise efficiency and security. The service, provided by GRGBanking through LEVANTNET, is a comprehensive solution which allows customers to deposit large amounts of cash through a flexible, user-friendly interface, without having to wait for their turn at the counter.

The P2800L self-service machine, which is comprised of high speed, large capacity, banknote validation, sorting, and serial number tracking, can be applied in any scenario with big volume cash transactions, especially since the software component allows tellers to execute transactions and finalise the bulk deposit at the end of the day. Bank Audi's branch network currently enjoys four installations in different Lebanese regions.

FinTech Innovation and the Future of Banking Services Summit

Smart Moves at SmartEX

SmartEX 2019 exhibition brought together scores of companies displaying their innovations and experts discussing the challenges and opportunities of Lebanon's tech sector. The 4-day exhibition featured different aspects of the country's technology sector, from information to telecommunication, security, automation and retail.

On this occasion, Omar El-Zein, Bank Audi's Head of Innovation, delivered a speech on how to set up a successful digital infrastructure in Lebanon. Among the many topics, he discussed the essential steps to implement a digital economy in Lebanon.

Bank Audi offers tools which provide customers with the convenience and flexibility reflecting on its innovative culture.

Stepping forward at ArabNet

ArabNet, the leading event in insights and innovation programs, focuses on tech business and innovation in the Middle East and North Africa region. The 2019 event celebrated its 10-year anniversary and started to set the ground for digital business and entrepreneurship.

Over 4000 corporate executives, government leaders and entrepreneurs gathered around 250 experts and speakers from around the globe, to discuss topics as various as: launchpad for start-ups and investors, Ad/Edge for digital media and advertising, and Finverse for digital banking and Fintech.

This edition of ArabNet also hosted its long-running competitions and a first "Start-up Showcase" that brought over 100 start-ups to exhibit and connect with industry experts and investors.

In the midst of satellite events, happenings, activations, Mr. Gebran Gebran, Bank Audi's Head of Customer Experience, discussed Banking Innovation and Digitisation in Lebanon.

With content marketing on the rise, Mr. Jean Traboulsi, the Bank's Head of Marketing & Communications, analysed the pros and cons of bringing advertising in-house. He explained all about the Bank's hybrid model with major campaigns handled by a global agency that employs its expertise and exposure, expressing his conviction that this solution best fits both Bank Audi's needs and the market's dynamics.

Innovate Akkar

A pre-acceleration project designed to enrich the entrepreneurial community and ecosystem in Akkar and aiming at fostering a new wave of start-ups and creating job opportunities in the region. A joint venture between Al Merhebi Foundation, Berytech, University of Balamand and Tripoli Entrepreneurs Club, the program mainly focuses on Agrython, innovation in agriculture, targeting the advancement of innovative ideas in the agri-food sector and converting them into successful businesses with a global impact. Initiated in 2019, the program included ideation workshops, a pre-acceleration boot camp, business and grant support.

Boosting IoT Ecosystems at USJ

Bank Audi sponsored USJ's "Internet of things" 2nd conference that was held at ESIB's Faculty of Engineering in 2019. This pioneering conference contributed to the development of a mature IoT ecosystem.

The event targeted industry professionals, faculty and students. In line with the high-tech atmosphere, NOVOT, our robot assistant, also participated.

Mr. Omar El Zein presenting the digital infrastructure in Lebanon

SHARING KNOWLEDGE

Group Chief Economist and Head of Research, Dr. Marwan Barakat, led several private and public discussions on the real challenges Lebanon is facing and the possible path out of the crisis, supporting arguments with accurate facts and figures, where audiences ranged from the Ministry of Defence, General Commandment of the Lebanese Army and a number of highly ranked generals, UN Heads of Operations at the UNICEF Headquarters in Beirut on another occasion, throughout 2020 to exclusive interviews in local press and television talk-show.

Early on the crisis, Dr. Barakat's main message was despite the persisting imbalances in Lebanon, mainly at the fiscal and external levels, exits still exist if tough choices and measures are put in place. "Figures are still manageable at this point if political will is there. If reforms are adequately implemented, Lebanon can still move into an era of gradual containment of risks and threats, which is definitely a prerequisite for economic recovery on the medium to long term" as Dr. Barakat described what ought to be done specifically at the fiscal, external, monetary, banking and real sector levels to get out of the economic crisis.

Catching the attention of domestic and international circles, Dr. Barakat stated: "While there is no doubt that there is a shared responsibility across the different economic agents for the current conundrum, we should not neglect the fact that the real imbalances were driven by the excessive spending of an economy that has been living for decades above its means, maintaining currency stability for long, keeping inflation at negligible levels and assuming a large deal of imports of goods and services in an economy with excessive foreign dependence and lacking domestic productivity. A close look over the 2003-2019 period suggests that outflows from Lebanon exceeded inflows to Lebanon by USD 100 billion, exerting pressure on the net foreign assets of the financial system composed of banks and the Central Bank and depleting liquidity within the system. As a matter of fact, the foreign liquidity of BDL and Lebanese banks along with the gross incoming flows got depleted year after year by policies that intended to maintain the currency stable despite persisting imbalances and excessive importation that is not justified by the real income generated by the domestic economy."

Explaining the roots of the current financial crisis rests on digging into the registered excess of outflows over inflows that was reported over the past couple of decades. Dr. Barakat concluded by saying that adjusting the external sector that is characterised by wide imbalances is the most critical macro priority for Lebanon looking forward, noting that the current model of large external deficits offset by inflows of capital is no longer sustainable given the significant contraction of those inflows. It is still possible to reach an equilibrium in the balance of payments by reducing further imports, boosting exports and fostering financial inflows while most importantly fostering domestic output. Hence, the importance of reviving Lebanon's ability to entice incoming financial flows amid a gradual return of the confidence factor, boosting domestic production and exports by subsidizing high value added sectors and imposing restrictions and taxes on imports that erode the Lebanese financial system's foreign assets. A new Lebanon is to be born aligning imports with rational domestic spending, aligning spending with real domestic income, and aligning income with real domestic output.

At yet another occasion and on national television, Dr. Barakat discussed the government's economic reform plan, the banking sector's challenges and the need for a fully-fledged IMF program for Lebanon. Regarding the reform plan, Dr. Barakat stated, "it holds some positive highlights and reform actions, but at the same time, it contains a number of woes such as the distribution of national losses across economic agents."

On the positive level, Dr. Barakat said: "The plan comprised tangible reforms on the fiscal front. It targeted a fiscal soft-landing, attempting to decrease deficit to GDP from 11% today to 0.7% in 2024, through enhancing revenue, fighting tax evasion, rationalizing public spending, decreasing debt servicing and reforming the pension system and the electricity sector, all-apt to decrease debt to GDP from 176% to 99% over a 5-year term. However, the plan estimates large national losses, to be sustained by banks and depositors." In this regard, Dr. Barakat said: "Before resorting to any type of haircut or bail-in measures that might impact depositors, we must see the root of the problem, which is the public sector that is USD 90 billion in debt and over which the banking sector is exposed directly or indirectly through the Central Bank. The public sector that is defaulting today, has assets ranging from privatizable entities to real estate property, bearing in mind that those assets offset a large part of its liabilities when assessing its net asset value. What is required is to liquidate a part of these assets and redeem claims on the public sector before addressing any measure that curtail depositors". Dr. Barakat added, "a state fund could be created with public assets as collateral for tens of billions of dollars comprised of real estate assets and privatizable entities, as a share of the government in the overall national sacrifices. It would reduce the government debt, redeem the claims of the Central Bank on the government and reduce, in parallel, the banks' claims on BDL".

At the banking level, Dr. Barakat warned of any attempt to hit the banking sector. He said, "the most important economic characteristic of Lebanon is its free economy". He added: "There is no free economy without a liberal private sector, which in turn doesn't exist without a liberal banking sector". He stated: "The banking sector belongs first to its shareholders, but also to its depositors and then to its staff that counts 28,000 individuals, which represent the core of the middle class in Lebanon, a main driver of Lebanon's contemporary economy".

Again, in December 2020, Dr. Barakat was hosted as a guest speaker at Lebanon Humanitarian INGO Forum (LHIF) meeting attended by over 40 International Non Governmental Organisations where he shed light on the market macro-economic situation in light of the potential subsidy changes and possible implications on the INGOs' Y2021 budgets. His 45-minute presentation tackled the general economic situation, the BDL situation and the reserves, the potential lifting of subsidies, with its impact on the social situation and the human capacity needs, the currency situation amid the presence of parallel markets and the banking sector situation. The presentation was followed by a Q&A session. Dr. Barakat's intervention during LHIF meeting was highly appreciated by the participants and was found to be of utmost help in their policy and budget deliberation process.

These talks and presentations all shared with the mass public the realities of our economic situation, in the permanent aim of helping assess risks and outlook.

COMMUNITY DEVELOPMENT

Local Community Development

Financial Literacy

Local Community Collaboration

Local Community Support

In line with our conviction to create shared value, we collaborate with various organisations for the benefit of fostering a strong societal ecosystem and sturdy communities, touching humanitarian, health, social, educational, cultural and sports aspects.

FINANCIAL LITERACY

These initiatives come in line with the Bank's CSR strategy which aspires to promote financial literacy through communication with specific stakeholders, and to empower future generations.

Global Money Week: Money Matters Matter

As part of the Global Money Week 2019 – an internationally recognised initiative by Child and Youth Finance International (CYFI) intended to promote financial literacy and empower the next generation of financial actors to be confident, responsible, and skilled economic citizens – Bank Audi invited 11th grade students, for the fifth consecutive year, to spend a day at its Head Office in Beirut between 26 and 30 March. During the second week, between 1 and 5 April, this program was also implemented in the South, North, Koura, and Central Bekaa in collaboration with the Ministry of Education & Higher Education.

1,118
STUDENTS FROM 70 PUBLIC AND PRIVATE SCHOOLS

During these days, 1,118 students from 70 public and private schools attended a series of interactive presentations under the theme "Learn.Save.Earn.". The 17-year-olds were introduced to the world of banking, Corporate Social Responsibility (CSR), Sustainable Development Goals (SDG), career identification, social media code, microfinance, digital banking, entrepreneurship, taxes in Lebanon, and innovative thinking.

The Association for the Development of Rural Capacities (ADR), Digital Opportunity Trust (DOT), Lebanese League for Women in Business (LLWB), NCR, UN Global Compact Network Lebanon (GCNL), UNICEF, Institut des Finances and FIWI were among our partners in sharing expertise with a view to empowering the youth, helping them become economically equipped, and bridging inequality gaps.

More than Money

292
STUDENTS AT 7 PUBLIC SCHOOLS

In parallel, and in collaboration with INJAZ Lebanon, 83 Bank Audi employees and the Spring Account community members spread their knowledge and experience outside the boundaries of the Bank by delivering the "More Than Money" module to 292 students at 7 public schools.

This module aims at teaching students about earning, spending, sharing, saving money, and businesses they can start or jobs they can perform to earn money. Our volunteers are matched to deliver the "More Than Money" module to students in public schools with a focus on rural areas.

Innovation Camps

Bank Audi organised an innovation camp to fuel Springers' creativity and team spirit, hosted at its regional Saida premises, in partnership with INJAZ Lebanon. Animated by mentors discussing innovation with more than 70 attendees, the Business Model Canvas allowed Springers to solve the challenge and create a product or service. They were thus exposed to the Sustainable Development Goals (SDG), more particularly to those Bank Audi is pledged towards. Each team chose an SDG to raise a challenge and pitch to the jury.

Innovation Camp in Saida

A second innovation camp was held to create awareness on food waste. In partnership with INJAZ Lebanon and the Lebanese Food Bank (LFB), Springers and our employees' children gathered in teams to find solutions for the most feasible business model. Each group was mentored and supported by LFB, INJAZand Bank Audi staff, with a focus on SDG1 – No Poverty and SDG2 – Zero Hunger.

Spring Interschool Competition

In yet another effort to promote financial literacy and spread knowledge beyond classrooms, Bank Audi pursued "the Spring Interschool Competition" it had initiated in 2018, in which 12 schools from the Metn region had participated. Finalists from 650 students down to the top three students from each school were selected to take part in the full-day Grand Challenge at our headquarters in March 2019.

The three winning schools – Collège Mariste Champville, Beirut Evangelical School, and Collège des Saints Coeurs Ain Najm – were granted trophies in recognition of their participation.

> ***"We are satisfied with the students' enthusiasm and dynamism demonstrated while partaking in this enriching initiative which showcases our commitment to develop young people's potential through financial literacy."***
>
> **Mrs. Grace Eid,** Head of Retail Banking

Café El Hay

Bank Audi launched its first-ever homebased web series on 22 January 2019. The concept of the web series came in as a way of educating clients on the usage of the Bank's alternative delivery channels (ADCs). Keeping this target in mind, Café El Hay was produced with the aim of creating entertaining content through putting the usage of ADCs into place. A Lebanese comedy-drama unfolding in a web series about the bond between a group of friends who overcome obstacles together thanks to their potential and to Bank Audi's digital solutions. Each episode featured one of the Bank's digital solutions. A related tutorial, delivered on social media by one of the series' characters, guided viewers through transactions done through the channel in question (Contact Center, ITM, smart ATM, and Bank Audi Mobile App).

"Café El Hay" Web Series

6 MILLION VIEWS

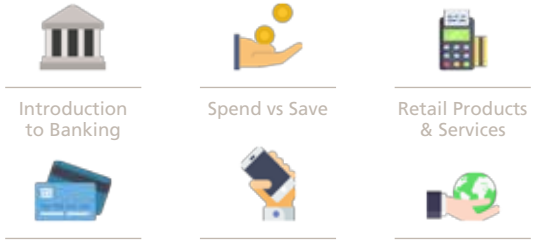
Café El Hay episodes were broadcast on Bank Audi's social media platforms and every Sunday on various TV channels. The episodes generated a buzz, with a total of 6 million views across social media platforms.
All related material to the series is available on **cafeelhay.com**

"Let's Talk Money"

An interactive financial literacy quiz was launched in November 2017 for young adults aged between 16 and 24 years. The quiz allows the youth to:

- Learn about personal finance
- Test their financial knowledge
- Receive an e-certificate

This financial literacy website features:



To date, 4,027 young adults have participated in the game.

KidzMondo

Located at the Beirut Waterfront, KidzMondo is a replica of a real-life city which provided children between the ages of 2 and 14 with interactive and immersive vocational role play activities designed to be fun and pedagogical, based on the concept of "edutainment" or playful learning.

This city for kids is composed of the different industries that make up the private and public sectors of a real city. Through engaging in its micro-economy, children will learn the virtues of labour and financial independence. Children working in KidzMondo gained fiscal knowledge, learned how to exchange money for products or services. Guests circulated Kidlars, the city's local currency, gained a sense of earning and saving, in addition to cashing cheques, opening savings accounts, and using ATM cards.

Our impact in this micro world was all about raising awareness on financial literacy as part of a broader sustainability goal for Bank Audi. Our conviction that financial literacy starts at a young age and our commitment to KidzMondo since 2013 offered young children the opportunity to familiarise themselves with banking basics in a motivational environment until its unfortunate closure post the Beirut Port explosion.

LOCAL COMMUNITY SUPPORT

During the reporting period of 2019 - 2020,

LBP 26.47 BILLION
TOTAL CONTRIBUTION TO THE COMMUNITY

LBP 5.5 BILLION
HEALTH
of which LBP 4 BILLION COVID-19 related

LBP 19.37 BILLION
HUMANITARIAN AND SOCIAL

LBP 1.5 BILLION
CULTURE

FEATURING NGOs

In support of the Lebanese Food Bank's mission and its "Just Help" campaign, we invited our colleagues to donate food at the NGO's online food collection to help vulnerable families.

Through our social media channels, we featured various NGOs such as Kafaat, Lebanese Food Bank, Tamanna, arcenciel, Digital Opportunity Trust (DOT), Mission de Vie, Centre Mar Semaan, Equal, Orphanage Welfare Society of Saida, Société de St. Vincent de Paul, UN Women, UN Global Compact, Openminds, Ecoserv, Injaz Lebanon, St. Vincent de Paul, SHE min Lebnan, Assabil Association, Roads for Life, and the Children's Cancer Centre of Lebanon, in an effort to shed more light on their contributions to society around an assortment of causes.

1,962,083
USERS AND REACTIONS SUMMITED AT 8,505

HEALTH MATTERS…

COVID-19

Our branches were kept open despite the lockdown and social distancing measures. Our engagement towards our community, as per health authority guidelines, was adopted to maintain staff health and safety, minimise risks, and ensure business continuity to our clients. At times, most employees had to work from home, with provided teleworking solutions that allowed secure remote access to the Bank's systems. To mitigate cyber risks, security best practices based on INTERPOL and US-CERT were shared with all employees with a view to protecting data integrity and confidentiality.

When at work, keeping staff alert and aware was of paramount importance. A bank-wide campaign was launched across several touch points to raise awareness on the virus and on how to prevent its spread. Naturally, all the Bank's premises and branches were geared with necessary sanitisation and protection tools, and constantly disinfected. While our clients started to seek alternative delivery channels, Bank Audi made sure to staff up its Contact Center 24/7 and was the only institution offering a variety of contact options from WhatsApp chat, email, and chatbot services on Facebook messenger. The number of daily calls and messages peaked at 12,000 calls a day from the usual 3,000 daily calls. Nevertheless, the efficient measures implemented proved to be adequate to make sure daily operations are running smoothly, and client needs are answered at all times, working around governmental curfews, while taking all safety measures.

Using our "Bank Audi Community" Facebook group, we shared articles, updates and useful links on COVID-19. It gave our employees the chance to consult various professionals through 10 live sessions with experts on family medicine, immunity-boosting diets, psychological and physical wellbeing, mental health or psychosocial issues. Special medical sessions were also provided on more specialised points such as pregnancy, newborn–related concerns… Family coaching, environmental prevention and live cooking sessions were added on-demand. Articles on "Essential Tips for Working from Home" and "Tips to Stay Healthy during Lockdown" were featured in our monthly e-newsletter.

In our relentless effort with respect to COVID-19 prevention and supporting our frontline healthcare workers and institutions, we contributed in the telethon fundraising campaign for the Hariri Hospital, the Red Cross and the Civil Defense. By the same token, we donated locally produced ventilators to seven other renowned hospitals across the country to help in their efforts and fill their gap in equipment needs.

The Power of Lifestyle Medicine Conference held at Notre-Dame University (NDU) – Louaize's Faculty of Nursing and Health Sciences. Aimed at providing insights on lifestyle medicine and exploring the possibilities of implementing it among healthcare practitioners, the conference covered several topics, namely motivational interviewing, clinicians in the kitchen, and healthy relationships.

Empowering the Medical Industry in Lebanon, the Lebanese Medical Students' International Committee (LeMSIC) is an independent, student-run, non-political, non-governmental and non-profit organisation. It is a full National Member Organisation (NMO) of the International Federation of Medical Students' Associations (IFMSA). LAMA is an accrediting and academic training non-profit organisation that gives Lebanese medical students and graduates the opportunity to improve their learning practice experience through the participation of U.S. clinical rotations at various teaching hospitals throughout the United States.

Doctors Syndicate Conference in Tripoli organises the 44th annual Pan-Arab International Medical Congress – Building a Safer Healthcare System.

Supporting Doctors – The first Beirut Annual International Rhinology symposium and fess dissection workshop was held at AUB. This international conference, organised by the department of Otorhinolaryngology – Head and Neck Surgery at AUBMC, was endorsed by the American Rhinologic Society (mother specialty society), in collaboration with the World Allergy Congress and a number of regional societies mainly from the GCC area.

The workshop was the first of this scale with regards to the level of international involvement and commitment in the GCC and the rest of the Arab world.

Roads for Life – Advanced Trauma Care for Nurses (ATCN) and Stop the Bleed – 68 registered nurses were trained in ATCN at 29 different hospitals from 14 different regions in Lebanon.

Additionally, with the assistance of the Stop the Bleed kits, over 1,000 civilians in public and private sector institutions benefited from trainings on bleeding control.

Playing Music to Save Kids' Hearts – Heartbeat's annual concerts have funded lifesaving surgery for more than 2,000 affected children since inception in 2005.

WONCA Conference

The Lebanese Society of Family Medicine, under the patronage of the East Mediterranean Regional (EMR) council of the World Organisation of Family Medicine (WONCA), launched the WONCA-EMR 2019 conference which was held for the first time in Beirut.

The Family Medicine departments at the American University of Beirut, as well as at Saint Joseph and Balamand Universities, contributed to the scientific program.

The Lebanese Order of Nurses Wants your Trust

In celebration of International Nurses Day on 12 May 2019, the Lebanese Order of Nurses launched a new campaign under the theme "We Trust You".

It aimed to raise awareness on the nursing profession and on the Order itself, hoping to build the public's trust in the Lebanese nursing workforce, and to help the profession feel more recognised. Founded in 2002 to protect the rights of nurses, the Order of Nurses is the official body representing the profession in Lebanon; all nurses must be registered in order to practice.

CULTURE

The positive impact of culture beyond a mere luxury but rather an essential component in social, economic and intellectual development has always been a priority for Bank Audi. As such a multitude of initiatives are either organised, partnered with or otherwise supported by the Bank each year. In 2019, the below events took place.

A "Peace" of Liberty exhibition organised by The Gebran Tueni Foundation where a selected group of Lebanon's finest painters, photographers and sculptors participated to foster the true spirit of "Liberty" and bring forward a rich and creative space in support of Beirut's youth. The fundraising, aimed at developing the Gebran Tueni Public School which integrates students with special needs.

Clients and Colleagues Attend their Favourite Summer Festivals

Throughout the summer, 25 events were attended by 140 Bank Audi employees who were selected by draw to attend the festival of their choice.

Supporting Beirut Chants to Spread Holiday Cheer

The prevailing situation did not discourage the Beirut Chants organisers who were determined to bring back the festive spirit. Founded in 2008,

the music festival has become a seasonal celebration focusing on classical repertoires and spreading a message of peace and hope within the community.

"Draw Me a Cedar Tree" exhibition organised by Green Cedar Lebanon, with the participation of more than 50 well-known artists where eash artist created, shaped or drew the cedar tree in their own creative way, and the works were displayed at Banque Du Liban premises. The exhibition was attended by environment lovers, art collectors, as well as foreign representatives, and key media people.

This initiative aimed at fundraising for a one thousand cedar tree forest in the 10,000 sqm land allocated in Kfarzebian, Faraya.

LOCAL COMMUNITY COLLABORATION

Skoun Raises 30% of Annual Budget

To sustain its drug and alcohol treatment centres and prevention programs.

"Sound of Resilience" concert, produced by the Baalbeck Festival: a musical message from Lebanon to the world despite the economic crisis and pandemic. The concert, which took place at the Baalbek temple on 5 July 2020, featured the Lebanese Philharmonic Orchestra and choirs from the Antonine and Notre-Dame universities, along with the Lebanese group Qolo Atiqo.

The aftermath of the Beirut blast, let to our participation in the creation of "Recollect Beirut", a classical music concert involving regional choirs from all over the country, to convey a message of courage, love and hope. The concert, which took place at the famous Villa Sursock – a heavily damaged historic residence itself – on 20 September 2020, was broadcast live on primetime TV and on social media platforms. Similarly, we hosted "L'Art blessé" exhibition at Villa Audi, a new artistic expression that draws inspiration from Kintsugi and trauma therapy, showcasing damaged, inspired and restored artworks resulting from the Beirut Port explosion.

LOCAL COMMUNITY DEVELOPMENT

Fashion and Beauty Meet at JamaloukiCon

Beirut welcomed JamaloukiCon, a unique fashion and beauty festival in Lebanon. For 3 days, leading beauty and fashion experts, professionals, bloggers, and digital influencers shared their knowledge and experiences with the attending crowd. The aim behind this convention was to challenge and empower women.

Moto Ambulance

In partnership with the Ministry of Interior and Municipalities, the Lebanese Broadcasting Corporation International (LBCI), the Champs Funds and the National Road Safety Council (NRSC), Bank Audi and the United Nations Development Program (UNDP) – "Live Lebanon" initiative announced the launch of the Moto Ambulance project during a joint press conference in April 2019. With this project, the Directorate General of the Lebanese Civil Defence aims at deploying medical staff equipped with first-aid kits and motorcycles in cities where traffic is a barrier to providing quick medical assistance. With the first few minutes being critical for injured people, and a survival rate expectancy above 65%, these medical motorcycles will arrive before the ambulances and provide quick aid to victims, thus increasing their chances of survival.

Mr. Samir Hanna, Chairman and Group CEO of Bank Audi, underlined the Bank's "immediate endorsement of the project" and the added value brought by the collaboration of the Ministry of Interior and Municipalities, the UNDP and LBCI. He also pointed to the importance of such a collaboration between a public entity, an international organisation, and the private sector to deliver sustainable solutions.

Bank Audi's adoption of the Moto Ambulance project is an additional testimony of the civic role it has always played, a heritage it is proud to count among its many activities dedicated to social well-being and community development.

General Raymond Khattar, General Director of the Lebanese Civil Defence, seized the occasion to indicate that "the increase in the population and in the number of cars has led to very heavy traffic citizens are suffering from and which is preventing ambulances from arriving on time; this is how the idea of using moto ambulances came up." He added: "The next phase will focus on increasing the number of motorcycles and of trained staff, and deploying them in all Lebanese regions."

Mrs. Celine Moyroud, UNDP Resident Representative, stated: "UNDP, along with our Goodwill Ambassadors Mrs. Saada Al Assaad Fakhry and Mr. Ghaleb Farha, is happy to support the Civil Defence paramedics and to help them in their mission to save lives. I would also like to extend my thanks to the Executive Secretary of the National Road Safety Council, the Champs Fund, and North Assurance who participated in bringing this project to life."

> ***We know that the first few minutes for people that are injured are critical… Today, we are glad to announce that their response time will greatly improve, with the provision of moto ambulances that will allow paramedics to reach their destination in the fastest possible way.***
>
> **Celine Moyroud,** UNDP Resident Representative

A total fleet of 26 motorbikes was distributed across Beirut, Byblos, Batroun, Tripoli, Hadath, Damour, Saida, Tyre, Aley, Zahleh and Baalbeck. The deployment was accompanied by a major national awareness campaign highlighting the role of paramedics and engaging citizens in favour of the Civil Defence, through the support of the LBCI.

In the second phase of their depolyment, the bikes were complemented with portable fire extinguishing backpacks carried by the bikers when called for fire extinguishing missions.

This collaboration supports development, creates job opportunities, and improves lives, all while helping meet Sustainable Development Goals, namely SDG 11- Sustainable Cities and Communities and SDG 3- Good Health and Wellbeing.

General Raymond Khattar confirms that over 500 emergency missions interventions were successfully accomplished in 2019 and another 554 missions in 2020, thanks to moto ambulances.

A part of the fleet

SPORTS ACHIEVEMENTS

The Finish Line…

1st PLACE	- BASKETBALL INC - Football: Lebanese Interbanks (organised by the Syndicate of Bank Employees)
2nd PLACE	Football BDL League
3rd PLACE	BANCO (basketball)

Bank Audi's Winning Team

The Beirut International Marathon Cancelled

Due to unfortunate circumstances, the 2019 edition of the Beirut International Marathon, scheduled on 10 November, was cancelled. However, and since the Bank Audi team had pledged to run for the benefit of Oum el Nour, the earmarked amount planned for financing their SAIL prevention program which focuses on skill-based social and emotional learning, was forwarded to the organisation to allow it to give schools the opportunity to integrate life-skills education into the curriculum through competency-based training and monitoring.

Providing young people with information on the harmful effects of alcohol, tobacco and illicit substances is important, but not enough to induce a positive change in behaviour and to prevent young people from being involved. Those must acquire essential life skills (communication skills, self-esteem, anger and stress management, refusal skills) that will allow them to live life fully and cope with challenges without resorting to risky alternatives such as substances.

Oum el Nour is a Lebanese non-profit, non-governmental organisation that focuses on drug rehabilitation and drug prevention. It offers individuals suffering from addiction a holistic treatment program through a chain of services, where caregiving begins with the call for help or the exchange of information at the Reception Center. This is followed by the residential treatment program at Rehabilitation Centers, and completed by social reintegration with the support of the Follow-up Center. Over the past 30 years, Oum el Nour has accompanied nearly 8000 young men and women to sobriety and reintegration.

Run for Peace and Environment

On 24 March 2019, around 19,000 excited runners, among whom 86 Bank Audi employees with their friends and family, gathered in Saida, preparing to run the city's international marathon. Bank Audi Saida branch managers, Saida Mayor Mohammad al-Saudi, members of the municipal council and other local officials also attended the event. "Run for Peace and Environment" was the slogan of the Saida International Marathon which aimed at fostering hope and presented the runners with an opportunity to surpass differences and unite for a noble cause.

Going the Extra Mile for a Safer Society

On 7 April 2019, Bank Audi colleagues participated in the 12th edition of the half marathon organised by the Internal Security Forces (ISF), challenging themselves to run those extra miles for different causes. The run hosted athletes from the ISF, the Army, General Security, State Security and the Customs authority. Members of UNIFIL, the United Nations' peacekeeping mission in south Lebanon, also participated, as did runners from various clubs and universities.

The Bank was honoured by Major General Imad Osman for its participation in this marathon, as well as for its continuous support.

Honouring Bank Audi, represented by Mrs. Carla Rizk, Head of Segment Management Unit, Retail Lebanon

DONATIONS

There is no limit to what you can give back to the community. This is what Bank Audi believes, and this why it has been holding several donation campaigns since several years in a row now.

660 BOOKS
Makassed Association

51 LIVES SAVED
as a result of 17 units of blood donated - Red Cross

834 KG OF CLOTHES
Société de Saint Vincent de Paul, arcenciel & FabricAID

VOLUNTEER PROGRAM

> ***Unselfish and noble actions are the most radiant pages in the biography of souls.***
>
> David Thomas

Continuing to match our corporate charitable donations with a direct human involvement through its corporate "Be a Hero for a Day" program, the Volunteer Program was further developed by organising departmental and team building activities. The program encouraged employees to engage and give back to the neediest, and raised their awareness on important social, educational and environmental issues. In 2019, the "Be a Hero for a Day" program and its volunteers genuinely demonstrated how we at Bank Audi embrace a culture of high engagement and responsibility.

Such social investment programs have a significant impact on employees' performance at work, and increase the feeling of fulfilment by committing to these community outreach and volunteerism initiatives.

> ***This initiative was so rewarding and felt like a success. It actually brought me closer to God and back to the times I took care of my late grandparents. It is so heartwarming to see people's smiles, their gratefulness and their happiness, and to hear their cute stories.***
>
> **Carole Abou Jaoude,** Regional Manager – North Metn

Serving lunch to the elderly of Les Filles de la Charité de St. Vincent de Paul

24
NGO PARTNERS

549
VOLUNTEERS

3,490
BENEFICIARIES

1,780
HOURS

Our Heroes in Times of Need

Our action started immediately after the Beirut Blast of 4 August, 2020, with volunteering efforts in response to the different calls for help by NGOs and other neighborhood organisations to clean debris, refit broken panels from windows and various construction jobs to help restore residences. Additionally, blood was donated in partnership with the Lebanese Red Cross, and food donations were chaneled through the Lebanese Food Bank. These, as well as fundraising, were carried out at the discretion of employees.

We also partnered with "Offre-Joie", one of the major reconstruction NGOs acting on the ground, and contributed heavily in supporting the rehabilitation of destroyed residences in two poor districts, Quarantina and Gemayzeh.

Helping Reduce Poverty

Poverty reduction is an essential issue our government and development experts focus on and continue to grapple with the most effective means. Ending poverty and hunger in all its forms are the first of the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development.

The Office of the President of the Council of Ministers, in collaboration with the World Food Programme (WFP), the World Bank and GCNL, launched the National Poverty Targeting Program (NPTP), an ongoing social assistance program developed to support Lebanese families living beneath the extreme poverty line, based on transparent criteria that assess each household's eligibility to receive assistance.

The program provides holistic support in 3 core areas: health, education, and food assistance. Now more than ever, there is a need to cover the largest number of the poorest families in Lebanon who cannot even secure their basic needs of food.

UNGC Lebanon launched a communication campaign with the aim to raise donations over 100 days in Q2 2020 through a special website created just to track donations for the NPTP.

To support this initiative, Bank Audi's volunteers took the role of intermediaries between the GCNL and potential donors similar to a contact centre, receiving calls and providing needed information. Our volunteers invested some 300 hours manning the dedicated call center while Bank Audi matched each cent collected from the fundraising campaign.

The fundraising focuses on one element, which is the food assistance because it is considered an emergency measure to cater for the basic needs of most vulnerable families.

Spending Christmas with underprivileged elderly

CELEBRATING LEBANON'S CENTENNIAL

As World War I ended, and with it four centuries of Ottoman presence, Lebanese nationalists instigated towards fulfilling their millennial aspiration to establish a Greater Lebanon nation.

A delegation that included representatives from all Lebanese sects, led by notorious Maronite Patriarch Elias Hoayek, attended the Paris Peace Conference in France, and negotiated the establishment of a unified and independent Lebanon within a new border agreement.

Ultimately, by the end of 1920, the League of Nations granted the creation of the State of Greater Lebanon encompassing the provinces of Mount Lebanon, North Lebanon, South Lebanon and the Bekaa. On September 1, 1920, French General Gouraud, together with the Maronite Patriarch and the Sunni Mufti, declared the inception of Greater Lebanon at the Résidence des Pins, in Beirut.

One hundred years later, to celebrate and commemorate the centennial of this historic event, Bank Audi joined efforts with university professor and history researcher Dr. Kamal Nakhle and LBCI to create 100 episodes of "100 Years of Lebanon".

On 3 August 2020, following the evening news bulletin, LBCI TV aired the first episode of the series, and continued to do so, with a new episode every evening until the end of December 2020.

Each of the hundred 2-minute episodes told the story of an important figure, an institution, a monument, an event that is now part of our collective history and memory. Those include the launching of Annahar newspaper or Télé Liban, the story of President Charles Debbas or some of our most celebrated artists, the contributions of the Fleifel brothers or the innovative mind of Kamel Al Sabbah, and of course the role of Patriarch Hoayek, to name a few. Less renowned figures, who are just as fascinating, were brought to the limelight as well, including women pioneers in the arts and ahead of their times, such as Hanan al Cheikh, Hughette Caland and Venus Khoury Gata.

The initiative received public acclaim and positive feedback from the media. It brought compelling insights and shed light on details little known to the general public. People liked the visual footage, which they found beautiful and authentic, leaving them with a sweet sense of nostalgia. This greatly applauded commemoration was brought to an end with an episode about Beirut, its rises and falls throughout the ages, with the hope that it will leave viewers with a sense of confidence in the future.

All episodes are available through a dedicated playlist on the Bank's YouTube channel as a perpetual reminder of this centennial's celebration, and to enable everyone interested to indulge and watch them at will.

> ***The past 100 years have been full of events, some more pleasant than others, with a mixture of remarkable personalities and treasured stories. Prosperity and crises had their fair share of the 100 years… never stopping Lebanon from getting back on its feet after every fall.***
>
> **Dr. Kamal Nakhle,** History Researcher

HUMAN DEVELOPMENT

Labour Practices

External Human Development

Diversity, Inclusion and Equal Opportunity

Training, Education and Talent Development

Cherishing human capital as a valuable asset, all while recognising the challenges at hand, Bank Audi took an alternative measure to answer business restructuring needs, namely placing employees on long paid leaves to decrease redundancies and increase efficiency while minimising the social and financial impact. Still, we maintain our values of gender equality and anti-harmful violations, and our clear intentions in the fields of education and human development.

TRAINING, EDUCATION & TALENT DEVELOPMENT

LBP 1.2 BILLION
INVESTED IN EMPLOYEE TRAINING AND DEVELOPMENT

988
TRAINING ACADEMY PARTICIPANTS

LBP 1 BILLION
INVESTED IN SUPPORT OF OUR EMPLOYEES' DEVELOPMENT

45K
TRAINING HOURS DEPLOYED

2,166 EMPLOYEES

63%
SUCCESSFULLY TRAINED
Among whom 69% females and 57% males, covering all levels of employment in 2019

Getting familiar with behavioural economics

DIVERSITY, INCLUSION & EQUAL OPPORTUNITY

47.4% **52.6%**

1.48%
RATIO OF STANDARD ENTRY-LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE. REMUNERATION OF WOMEN AS COMPARED TO MEN IS PURPOSIVELY MAINTAINED AT A COMPETITIVE AND GENDER-BALANCED COMPENSATION SCHEME ACROSS THE BANK'S GRADES.

In 2019
5.2%
HUMAN CAPITAL TURNOVER:
6% MALE AND 4.4% FEMALE

In 2020
19.5%
HUMAN CAPITAL TURNOVER:
19.89% MALE AND 19.13% FEMALE

COMMITTING TO WOMEN EMPOWERMENT PRINCIPLES

On 8 March 2019, in celebration of International Women's Day, Mr. Marc Audi signed the Statement of Support committing Bank Audi to join the Women Empowerment Principles (WEPs) community. The WEPs is a worldwide initiative founded by UN Women, the UN Global Compact, and the IFC to advance gender equality and empower women hence progressing on SDG 5- Gender Equality and a range of gender specific targets across the SDGs.

Women's leadership and more equitable representation in business is essential to drive business performance and advance corporate sustainability. Yet, progress around the world is alarmingly slow. At the current pace of change, it will take 257 years to close the economic gender gap!

Among the participation privileges to the WEPs was the accelerator programme tailored by UN Global Compact on Target Gender Equality (TGE) which was launched in January 2020. The TGE is an opportunity for companies to deepen their implementation of the Women's Empowerment Principles and to strengthen their contribution to SDG 5.5, which calls for equal women's representation, participation, and leadership in business globally. Participating companies map out strategic priorities in furthering progress and making gender equality a reality by implementing inclusive workplaces that work for everyone.

Through facilitated performance analysis, capacity building workshops, peer-to-peer learning and multi-stakeholder dialogue at the country-level, TGE supports companies in setting and reaching ambitious corporate targets for women's representation and leadership, starting with the Board and Executive Management levels. The program enables companies to engage in accelerated learning opportunities specific to the Lebanese context to strengthen women's representation and leadership in their business. It helps set ambitious and realistic corporate targets for gender equality and communicate these commitments to various relevant stakeholders.

More than 2,000 companies across geographic regions, industries, and sizes are using the WEPs Gender Gap Analysis Tool to assess their progress. At Bank Audi, we have always been proud to report our female to male numbers as 47.4% vs. 52.6% across grading.

Men Against Violence

With domestic violence growing, especially during the COVID-19 lockdown, and more women reporting abuse, the Bank Audi family once again took a solid stand and joined the White Ribbon Campaign from November 25 until December 10, 2020 to support their main cause: "Men Against Violence". White ribbons were distributed across departments and branches for all employees to wear and support the pledge, that is to never take part in, approve or stay silent

about violence against women. In addition, daily articles were shared on the Bank Audi Community Facebook Group to raise awareness on violence, women empowerment and gender equality.

Two live sessions were also hosted on the Facebook Community Group. Mrs. Jumanah Zabaneh, UN Women Program Coordinator, tackled masculinities, engaging men, justice and protection of women. Another session hosted Dr. Charlotte Karam, Director of the Center of Inclusive Business and Leadership for Women (CIBL.W) of the Olayan School of Business at AUB, who explained all about women leadership, the corporate ladder and how to help women reach this goal.

A global survey conducted by Ipsos found that 65% of men agree that women won't achieve equality in their country without their support.

Men who act as allies are evaluated more positively, and their stance against sexism, bias, harassment, and all manners of inappropriate behaviour is celebrated as serious and legitimate effort. Men are an integral part of the gender-equity equation. Talk to them about how they can become advocates and allies for diversity. Men described various motivations for becoming advocates, including having a minority experience themselves; relationships with their wives, daughters, and mothers; having had female bosses, mentors, or colleagues; attending workshops on bias; and witnessing biases in action.

During the activation period, employees were encouraged to:
- Wear the white ribbon provided.
- Make the promise to never commit, excuse or remain silent about violence against women.
- Spread the word and encourage their friends, colleagues and family to do the same.
- Make the case for why gender diversity is important.
- Recognise and examine unconscious biases.
- Raise this topic at team meetings, workshops or similar venues.

GETTING FAMILIAR WITH BEHAVIOURAL ECONOMICS

Bank Audi hosted two special training sessions delivered by experts in the field of behavioural science, with the aim of providing an overview of this approach and its applications to public policy, namely financial inclusion. It is literally the study of psychology as it relates to the economic decision-making processes of individuals and institutions.

This capacity building training benefited 25 branch and Head Office colleagues, and featured the following topics:

- Introduction to behavioural science, heuristics and biases
- Introduction to nudging and behavioural insights
- Financial inclusion and behavioural mapping
- Experimental design and impact evaluation.

LABOUR PRACTICES

LBP
384 BILLION
SALARIES AND BENEFITS

On the occasion of World Diabetes Day celebrated around the globe on November 14, and true to its Human Capital core value, Bank Audi organised a fully-fledged campaign in its Plaza Head Office to raise awareness on diabetes among its employees. Blood sugar level was tested for employees in response to the growing concerns about the continuously increasing health risks diabetes poses and to assure a healthy lifestyle. A Live online session followed later that day on Bank Audi Community Facebook Group, with Dr. Nada Ghorayeb, Endocrinologist, who explained all about diabetes, its symptoms, treatment and ways of prevention.

As part of our determination to retain our employees, we make sure that they take the time needed to nurture their new-borns and cater to their needs. We also provide space for them to resume their work and fulfil their career aspirations.

Children's Day at Bank Audi

145 employees' children aged between 9 and 17 spent the day at Bank Audi's Head Office to get a deep insight on how everything works in a financial institution. They got the chance to attend several workshops on banking basics and other topics focused on gamification, mindfulness for youth, internet safety, use and abuse of technology, and robotics. Those aged 13 to 17 even participated in the youth leadership workshop that helped them uncover their inner leader and learn how to work in a team through experiential learning.

Employee Wellness

Bank Audi's Community Club is the fruit of an interactive initiative by employees to create momentum among colleagues and their families out of the workplace, as an additional witness to work-life balance contribution.

As such, a variety of seasonal activities are proposed such as hiking in the Jabal Moussa Biosphere Reserve, surrounded by Nahr Ibrahim and Nahr Ed-Dahab rivers, where a rich combination of natural and cultural heritage can be observed. 52 colleagues and their families participated.

> *To walk in nature is to witness a thousand miracles.*
>
> Mary Davis

Another similar day was organised in 2019 at Deir Al Moukhaless, Bkassine-Jezzine, in collaboration with La Maison de la Forêt where a variety of sports activities such as wall climbing, tree climbing, mountain biking, hiking and area tours were on the agenda. 64 members of our staff took part in this lovely day in the company of their families.

Accidents happen, and one always needs to be alert and prepared to handle them. With that spirit, and feeding on our long-standing collaboration with Roads for Life (RFL), Bank Audi organised practical awareness sessions entitled "How to Provide a Vital Initial Response to Stop Uncontrolled Bleeding during Emergency" as part of the Stop the Bleed program of RFL. 93 employees attended 6 sessions of this hands-on conference. Additionally, 30 Stop the Bleed – First Aid Kits, offered by RFL were distributed by our Facility Management teams across our premises.

Bank Audi's very own Band Audi performs for the benefit of special causes. On 30 April 2019, while Beirut joined other cities in the world for the 7th consecutive year to celebrate the International Jazz Day, our band performed live on stage in front of a significant crowd of all ages at Beirut Souks, under the patronage of the UNESCO.

Similarly, entertainment activities are proposed throughout the year, where parents and children can build unforgettable memories. This year, on the occasion of "La Fête de la Francophonie", 142 of our employees got to attend a unique "Les Fables de la Fontaine" show. The Fontana Circus was another show our staff enjoyed with their children (total of 1,500 Bank Audi attendees).

EXTERNAL HUMAN DEVELOPMENT

Bank Audi Hosts the Home Court Initiative of the IIA Lebanon

Bank Audi hosted the 6th edition of the Institute of Internal Auditors Lebanon's Home Court Initiative in April 2019 at its Head Office. The encounter was organised by Ms. Rana Nassif, Head of Internal Audit Lebanon, along with IAA seniors, and offered participants value-added and informative training.

On the occasion, Dr. Marwan Barakat, Group Chief Economist & Head of Research at Bank Audi, gave a keynote speech on the Lebanese economy. He addressed the current state of the economy and markets post-cabinet formation, the opportunities and challenges looking ahead, in addition to fiscal sustainability and overall monetary and banking conditions and outlook. The session was highly interactive and saw many IAA members engaging in the discussion.

Compliance at Rafic Hariri University (RHU)

As the wave of international and local rules and regulations falls on the financial sector and is expected to grow, the need for compliance resources has grown, and all foreign and local financial institutions are investing and upgrading their compliance infrastructures with human capital being at the core of this function. An introductory session was given on this new career trend, its requirements, challenges and opportunities by Mrs. Aziza Noujaim, Head of Onboarding & FI AML at Bank Audi, at the College of Business Administration of RHU.

Destination LSE

The London School of Economics and Political Science (LSE) Lebanon Alumni Association hosted the Destination LSE 2019 event at the Lebanese National Library. One of the foremost social science universities in the world. The Destination LSE global event series takes place over the summer to give overseas students who are about to join the school the opportunity to meet and get to know each other, as well as connect with alumni and current students prior to arriving at LSE.

Blé Vert: Working together for a Better Future

The Annual Blé Vert event held under the patronage of Mgr. Boulos Matar, Maronite Archbishop of Beirut, confirms our commitment to education and to supporting Lebanese students. Over 100 students were granted scholarships for their outstanding performance in 2019.

USJ STUDENTS REWARDED

In line with the Bank's constant mission to support students in their academic path, Bank Audi once more granted 7 Université Saint-Joseph (USJ) students scholarships for their academic achievement in 2019. Academics are a key factor in building an intellectually aware society. Through the solid partnership with USJ, which celebrates education and rewards students for their hard work, Bank Audi aims to encourage students to seek academic excellence. Reverend Father Salim Daccache, President of USJ, commended Mr. Samir Hanna, Chairman and Group CEO of Bank Audi, at the USJ Connect event.

> ***"Men like yourself give hope to young aspiring talents to stay in their home country and succeed in their professional lives. They are inspired by Bank Audi's local and international success, which is the fruit of the relentless efforts deployed by your peers and yourself since 1962."***
>
> **Salim Daccache,** President of USJ

PROFAMILY – REWARDING ACADEMIC MERIT

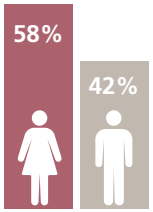
Academics are a key factor in building an intellectually aware society that thrives to develop towards the best. In this perspective, Bank Audi held its Profamily celebration in 2019, whereby 25 children of fellow colleagues were rewarded for their exceptional results in the Baccalaureate – Part II. In this manner, the Bank celebrates education, rewards colleagues' children, and motivates them to study hard and shine. The program aims to shore up their future careers and open opportunities for success.

The 1st prize recipient received USD 20,000 for achieving an overall average of 18.97; the 2nd prize recipient received USD 15,000 for achieving an overall average of 18.86; 3rd and 4th prizes recipients received USD 5,000 each for achieving an overall average of 18.65 and 18.34 respectively. In addition, 20 students received USD 1,000 each for achieving remarkable averages that reached 17.97.

To date, Bank Audi has rewarded more than 141 exceptional students through the Profamily program.

In 2019, IL achieved

12,568
students reached



360
volunteers

123
students placed in internships

3,088
students in entrepreneurship training

346
projects funded

USD 1,500
average fund per project

Training for

200 startups **9** winners

Training for

400
university students

Innovation Camp

350
students

Digital Skills for Today

3,648
students

USD 10,000
seed funding

More Than Money

450
students (exclusively Bank Audi's contribution)

Maharat Men Google

4,000
students

Career Readiness programs

900
Be a Leader, Be Entrepreneurial, Job Shadow

"Scratch" Program

Design Thinking Workshop

Innovation Camp

450 INTERNSHIPS OFFERED TO UNIVERSITY STUDENTS

Invest, Involve, Inspire

INJAZ Lebanon (IL), a non-profit organisation, aims at educating and preparing Lebanon's youth to become qualified and successful employees and entrepreneurs in a growing regional and global economy. INJAZ actively engages the business community through its volunteer-based model that allows independent professionals and corporate volunteers to share their experiences through the implementation of varied educational programs that focus on entrepreneurship, work readiness and financial literacy. INJAZ Lebanon invests in youth, the country's brightest future and strongest hope for nationwide development and economic growth.

Bank Audi has been a founding Board member of INJAZ Lebanon ever since its foundation in 2001. Over 60,000 youths aged 10 to 24 have participated in IL's hands-on training programs spanning Beirut, Mount Lebanon, the Bekaa Valley, South and North Lebanon, thanks to the generous support of over 2,500 volunteer professionals. By building bridges between educational institutions and the business sector, INJAZ is able to equip the youth with the skills and mind-sets required to become the business leaders and entrepreneurs that stimulate their communities.

IL is an affiliate of Junior Achievement Worldwide, the world's largest and fastest growing youth business organisation dedicated to educating students about Work Readiness, Entrepreneurship and Financial Literacy. They are also a member of INJAZ Al-Arab, a confederation of 14 Arab countries working on a common mission for the Arab youth.

An Unforgettable and Heartfelt Internship Experience

In 2019, our summer internship program attracted highly motivated ambitious students with good academic qualifications, who aimed to be exposed to the banking field.

The interns were assigned on-the-field missions to learn and work hand in hand with experienced professionals. In addition, they were granted the opportunity to participate in tailored programs and events which introduce them to different functions and business within the Bank. Moreover, as part of our corporate commitment and with the aim of conveying our volunteering culture to the interns who show interest, we engaged 34 interns in various volunteering initiatives organised throughout the summer and that benefited 83 children and some 50 elderly.

CSR SPREADS THE WORD

We continue to be involved, spread the word, and share best CSR practices through our involvement with various efforts and key activities across Lebanon.

Mentoring IPT

Under the patronage and in the presence of the Minister of Environment, IPT's first CSR report was the topic of discussion at a roundtable moderated by our Head of CSR at IPT headquarters.

The meeting brought together partners from all sectors and specialists in the field of sustainability and CSR who shared ideas and opinions about IPT's CSR strategy which focuses on 3 main pillars: workplace, environment, and community. The discussion concluded on identifying areas for improvement in the future.

This event coincided with the opening of the first IPT sustainable station in Lebanon, where attendees learnt more about the station's green and sustainable features in a guided tour with experts.

The United Nations Volunteers (UNV): Regional Consultation

Always seeking to make a positive impact in society, Bank Audi's CSR Unit attended UNV programme's Regional Consultation meeting on the Plan of Action for Integrating Volunteerism into the 2030 Agenda in the ESCWA Region, in the context of the Arab Forum for Sustainable Development as administered by the United Nations Development Programme (UNDP).

The Plan of Action is a framework developed by UN member states to help governments, UN agencies, volunteer involving organisations, civil society organisations, academia and the private sector to:

1. Strengthen people's ownership of the 2030 agenda.
2. Systematically integrate volunteering in national strategies and policies.
3. Measure the impact of volunteering.

The Regional Consultation engaged stakeholders in highlighting regional perspectives on volunteerism, in accordance with the 2019 theme of the High-Level Political Forum "Empowering People and Ensuring Inclusiveness and Equality". Key findings from the Regional Synthesis Report on Volunteering in the ESCWA region were presented and discussed with participants during the event.

Lobbying for a CSR Law

As part of our drive towards a sustainable nation, we participated with Univeristé Saint-Joseph and its Faculty of Economy on the proposed CSR draft law deposited for vote at Parliament, to create a CSR Label and other incentivising government measures to recognise and reward sustainable projects once mandated from the private sector.

Fundraising Training for Local NGOs

Organised by ACTED, an international non-governmental organisation (NGO) implementing emergency and development projects in Lebanon since 2006, our CSR Unit participated in providing capacity-building guidance in fundraising training approaches and needed criteria.

The training, funded by Agence Française de Développement (AFD), included 25 participants representing local civil society organisations and social development centres from the North, Beirut, Mount Lebanon and the South. These were grouped for an interactive role play session reinforcing the theoretic learning we had been invited to evaluate. The importance of the relevance of the projects and measurements of impacts, as well as the prioritised thematic, were presented and participating NGOs received a self-assessment tool designed to guide them ahead of, during and after any proposal submission process.

Special feature articles in local press where benchmark is set for other institutions to follow.

AKHBAR
July

AL JOUMHOURIYA
October

RESPONSIBLE MILLENNIALS

The "Responsible Millennials" competition was launched during a CSR university awareness session, to encourage students to think responsibly and come up with a feasible and creative project related to environmental protection which Bank Audi could implement.

12 students presented proposals, out of whom 5 were shortlisted by an external jury composed of a LEED Green Associate, a BREEAM Assessor and EDGE Auditor & Expert at E-eco Solutions, an Executive Managing Director at V4 Advisors, a UNDP Project Officer Climate Change Projects at the Ministry of Environment, a lecturer at USJ, and the Executive Director of CSR Lebanon. On 30 January 2019, the 5 university students presented their proposals live. Below are the final results:

1 **SARAH SBEITY**
"Save Water, Save Life"
American University of Science and Technology (AUST)

2 **RAYAN BEN AL SHEIKH**
"Loans for Eco-Friendly Cars"
Lebanese International University (LIU)

3 **ELISSA MOUAWAD**
"Software Solutions"
University of Balamand (UOB)

IPT Stakeholders' Consultations

ENVIRONMENTAL PROTECTION

Emissions

Energy Consumption

Environmental Loans

Effluents and Waste

Awareness on Resources Usage

AWARENESS ON RESOURCES USAGE

GREEN PPPs

Within the commitment for Environmental Protection and stewardship, Bank Audi continuously seeks opportunities to enhance the impact made on the environment. As such, the below initiatives recount some of these partnerships.

#SAVEOURFACE: CLEAN THE BEACH CAMPAIGN

The Ministry of Environment, where over 170 Bank Audi volunteers, family and friends, joined efforts on 9 June 2019 and spent their Sunday morning cleaning Damour beach.

This campaign aimed at conveying a cleaner picture of Lebanon.

> ***At our Bank, we have an important volunteering platform because we believe it is not enough for us as an organisation to only give money. This is why every one of us in this big family is a volunteer, and this is why we have a Volunteer Program called "Be a Hero for a Day". Today is an important day because 500 Bank Audi employees and their families came to support this campaign and clean the beach.***
>
> **Hasmig Khoury,** Head of CSR

Volunteers showed great enthusiasm for both the initiative and their goal: cleaning up beaches and turning Lebanon into a clean and beautiful country again.

CLIMATE CRISIS

In foresight of fire season, the Ministry of Environment launched a nationwide Fire Protection Campaign, part of the #SaveOurFace initiative entitled "Don't risk it – You can protect it".The television campaign encouraged the Lebanese to protect forests from the fires that threaten them every day. A forest clean-up was also part of the campaign in which Bank Audi contributed.

> ***My participation in this event with my family was a great pleasure. My 5-year-old son was particularly proud to participate. He even told everyone in school the next day about his experience; it was an opportunity for the teacher to talk about the campaign and encourage all the children to save the beach's cleanliness and to participate in such events.***
>
> **Nazek Asmar,** Furn El-Shebbak Branch Manager

Again in collaboration with the Ministry of Environment and UNDP, we represented the private sector during the "Non-State Actors Stakeholder Consultation" on Lebanon's 2020 Nationally Determined Contribution (NDC) in November 2020. Lebanon responded to the global call to enhance NDCs as an update to its NDC submitted in 2015. Considering the many challenges Lebanon is facing, this NDC update acts as a finance mobilisation tool which fully considers Lebanon's special circumstances, clearly showing Lebanon's priorities in the next decade.

LEBANON REFORESTATION INITIATIVE (LRI)

Another instance of collaboration is with the LRI NGO where our Corporate and Commercial Banking Department initiated the planting of 42 cedrus libani seedlings in Sannine covering an area of 0.3 hectares in October 2019.

LRI engaged local participants to conduct the activity by providing them with reforestation best practices, safety, inspection and monitoring training, all while abiding by COVID-19 safety measures.

During the length of this reporting period, around 3.5 tons of CO_2 was sequestered. This forest contributed to the creation of 4 jobs in Baskinta.

During the lockdown periods and maintaining clients' banking needs, the impact of our Alternative Delivery Channels (ADC) were quite notable in our environmental impact measurements.

BANK AUDI ACTIVELY PARTICIPATES IN THE 24TH WORLD ENERGY CONGRESS alongside the Ministry of Environment and Lebanese companies such as Sustainable Akkar, Hawa Akkar and Lebanon Wind Power, held at the Abu Dhabi National Exhibition Centre in September 2019.

With over 150 countries represented, the World Energy Congress is the world's largest and most influential energy event covering all aspects of the energy agenda. Bank Audi sponsored the Lebanon lounge, with many players displaying their products and services and representing the Lebanese standpoint within national, regional and global energy perspectives.

Running since 1924, the triennial World Energy Congress enables dialogue amongst ministers, CEOs, policy-makers and industry practitioners on critical developments in the energy sector. As the world's premier energy gathering, it offered a unique opportunity for participants to better understand energy issues and solutions from a global perspective. With over 15,000 participants, the Congress welcomed over 300 high-level speakers, 70 ministers, 500 CEOs, and 1,100 media representatives in a 40,000 sqm exhibition space that featured the entire energy spectrum.

Participating in the World Energy Congress

THE INTERNATIONAL BEIRUT ENERGY FORUM

Bank Audi was also the main sponsor of the International Beirut Energy Forum (IBEF) that took place in September 2019.

The IBEF is one of the most important energy events in the Middle East and the largest in the country, gathering key people from Lebanon and abroad to discuss topics related to sustainable energy, energy efficiency, and green buildings.

With Lebanon in need of exceptional efforts to restructure its energy sector, the event invited key local and international players in the private sector, and government officials to work together and form partnerships to develop sustainable solutions. As the country is rich in natural resources, namely wind, solar and hydro, renewable resources offer Lebanon energy independence and price stability at the most competitive rates, while giving local and international investors attractive returns.

During the event, Mrs. Carol Ayat, Head of Energy at Bank Audi, was granted the "Energy Ambassador of the Year" award under the Women Empowerment category for her contribution in the Bank's efforts to play a major role in restructuring Lebanon's energy sector, as well as to provide the country with stable, affordable and clean energy while offering significant developmental benefits to local communities.

Mrs. Carol Ayat receiving the "Energy Ambassador of the Year" award

MY CARBON FOOTPRINT

Undertaken by Bank Audi in collaboration with the Ministry of Environment and the United Nations Development Programme (UNDP), **my-cfp.com** intends to address climate change while raising awareness among the youth on the use of resources and its impact on the environment.

It is an informative and fun microsite developed by Bank Audi and specifically addressed to children aged 12 to 15 and living in Lebanon. The aim of this microsite is to engage the Lebanese youth in reducing their household's impact on the environment, in recognising the importance of resources, and in acknowledging the carbon footprint we leave on Mother Earth.

E-MOBILITY CONFERENCE – LAU BEIRUT CAMPUS

The School of Engineering (SOE) hosted a conference entitled "The Road to Sustainable Mobility 2019: E-Drive to the Future" at LAU's Beirut campus. The event was organised in collaboration with the Ministry of Environment, the Ministry of Energy and Water, and the United Nations Development Programme (UNDP).

The conference gathered a crowd of high-level policymakers, including the Minister of Environment, automotive industry and sustainable development professionals, governmental representatives and academics.

Mr. Gebran Gebran, Senior Project Manager at Bank Audi, was a panelist discussing the deployment of hybrid vehicles.

ENVIRONMENTAL LOANS

REGIONAL AWARENESS AND CAPACITY BUILDING WORKSHOPS

In an effort to consolidate the awareness related to green financing, to present sector case studies targeting specific audiences based on their line of business, mainly the agro-business sector omnipresent in rural areas, members of the Chamber of Commerce, Industry and Agriculture of Zahleh, of the Chamber of Commerce, Industry and Agriculture of Saida and the South, and of the Chamber of Commerce, Industry and Agriculture of Tripoli and the North were invited to attend customised workshops.

Specialised persons in the agribusiness fields, dairy and olive oil producers, industrialists, hospital owners, EE and RE vendors were present.

Workshop	Date	Venue	Attendees
Saida	9 April, 2019	Saida Chamber of Commerce	50
Tripoli	3 May, 2019	Tripoli Chamber of Commerce	100
Kab Elias	9 July, 2019	Kab Elias Municipality	50
Zahle	11 July, 2019	Zahle Chamber of Commerce	150

Chamber of Commerce, Industry and Agriculture workshop in Saida

EFFLUENTS AND WASTE

In partnership with Cedar Environmental, 20 street paper recycling bins were placed in different locations across the greater Beirut area. The practical result of this partnership is 897 trees saved to date!

A side note to this collaboration led to our participation in the Harvard Business School-led case study "Cedar Environmental: Innovation vs. Corruption in Lebanon?"

Internally, a smart and efficient printing solution was adopted across our offices, which allows users to print uniquely with personalised access codes at any station printer. This resulted in massive paper savings which are reflected in our paper consumption within our carbon footprint measurement.

A special tutorial video was produced and shared internally to create a sense of responsibility among colleagues on the practical implementation of collecting and sorting waste at home. This was achieved within our Grow Green program which has been running since 2012, encouraging employees to recycle solid waste in their workplace and at home, and to dispose of it at the Bank's three special hubs. Collected items are generally donated to Association de l'Ecoute.

REDUCING E-WASTE ON EARTH DAY

On Earth Day and as part of our Grow Green Program, employees were invited to give away their unwanted electronics, such as TVs, tablets, phones, music players, keyboards, hard disks, CDROMs, cables, and monitors.

Additionally, the Bank's IT Department offered its own e-waste for recycling. A total of 2,110 Kg of e-waste was collected to the benefit of Ecoserv NGO, for proper refurbishing and recycling.

The aim of this initiative was to reduce the amount of waste sent to landfills, to conserve natural resources, fight against pollution, save energy and the environment for future generations, and reduce greenhouse gas emissions that contribute to global warming and drinking water shortage worldwide.

Total Weight of Waste Collected in Kg

2,110 E-waste

2,236 PET bottles

95 Plastic

165,819 Paper

14 Metals

Resulting in **15,358** trees saved

Street recycling bins located in Antelias

EMISSIONS

In partnership with a certified expert, we conducted a comprehensive audit of our carbon footprint by monitoring all our premises. This process was launched in 2012, hereafter considered as base year, with a view to comply with the GRI Standards on environmental impact. As per our GHG inventory based on the GHG-Protocol Corporate Standard, we have reported on the following seven greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).

The GHG calculations were performed using well-established tools and methodologies following the GHG Protocol developed by the World Resource Institute (WRI, 2006b, c). Using an internationally recognised tool allows a standardisation of procedures and calculations, which is key in order to quantify and compare emissions accurately.

The calculation of the emission factors and the global warming potential (GWP) rates used are based on GHG-Protocol which uses the IPCC emission factors provided in the IPCC guidelines of 2006, the IPCC fifth Assessment Report (1995), and the local emission factor for electricity communicated by the Lebanese Ministry of Environment.

In 2019, and for the 6th year in a row, Bank Audi was awarded a certificate of acknowledgment for measuring and reporting its greenhouse gas emissions by the Ministry of Environment and the UNDP, as part of the companies' program in Lebanon.

This achievement falls perfectly within the framework of the pledged Sustainable Development Goal (SDG) 13 - Climate Action, whereby the Bank seeks to reduce its carbon footprint.

RECYCLING THE BROKEN GLASS FROM THE BEIRUT BLAST

By Ziad Abichaker,
Environmental Engineer and Activist

Following the August 4th blast in Beirut port, it was estimated that 44,000 residential units were affected by the blast with various damages, but what was common among all these units is the shattered glass from windows and sliding doors. The shattered glass estimate was around 5000 tons.

Three days after the blast, a consortium of civil society consisting of Mouwaten Lebneneh, Baytna Baytak, Minteshreen and Embrace reached out to me to help devise a plan to clean up the areas of Gemmayzeh and Mar Mikhael. The plan consisted of collecting as much of the shattered glass and sending it to the Beddaoui area north of Tripoli where 2 industrial glass making factories are in operation (combined daily capacity 19,000 Kgs of glass) and to Sarafand glassblowers, which is an artisanal glassblowing workshop (daily capacity 150 Kgs of glass).

The first obstacles were financial; the combined group of NGO's had enough money to cover the collection process from houses in the affected areas but no budget to cover the loading and transportation costs to the North and South facilities. I took it upon myself to secure the funding for that part of the operation.

The second obstacle was technical. Upon dispatching the rubble to the factories, the first loads of collected glass contained too much debris (gravel, wood and other impurities) and they pointed out that they could not introduce them as presented in their ovens. An inspection step was necessary to precede the feeding into the ovens. This step required two operators at each factory; hence, four workers to be remunerated monthly, a cost the factories were not able to incur at that moment. I told both factories to secure the workers and that I will find money to compensate the inspection costs.

Once the obstacles were surmounted by securing Bank Audi's support, the plan evolved:

1- The civil society groups mentioned above with the help of volunteers secured three pickups to do the rounds over the totality of the affected areas, stretching from Beirut Port neighborhoods all the way up to Hazmieh. A whatsapp hotline was installed to which citizens were asked to send their locations so collection teams/trucks can collect the shattered glass.
2- I secured a bobcat and two pickup trucks to load the collected glass from the Mar Mikhael train station which was used as a glass storage space for the needs of this operation. All pickups where weighed using an electronic scale operator by Beirut Forum.
3- Four operators were hired at the factories in Beddaoui and they started inspecting and removing all debris and impurities from the incoming collected glass from Beirut. The first pickup truck was sent on 15 August and the last one on 27 November, capping a total collected weight of shattered glass of 124.97 tons.

The total cost of this project was LBP 20 million.

It is noteworthy that the operation would have collected much more glass but cleanup crews were collecting glass mixed with other debris in the same truck, rendering the glass recycling operation impossible.

The aim of this operation was to divert as much glass as possible from ending up in a landfill or as was the case, mixed with other rubble and unmanageable. Another aim was to provide our only two glass factories with free of charge raw material for their industrial production. In consequence, the added value was to incorporated both factories in the Green Glass Recycling Initiative for Lebanon (GGRIL), which has been in operation since 2013, producing beautiful and practical glass crafts.

The factories desperately needed to sell more goods to survive so we requested the production of a few designs that fit the GGRIL collection and since, we are working with them on a regular basis.

Evidently, the glass recycling effort caught the attention of practically all international news media, it was even reported in a newspaper in Tokyo. Major news outlets like the Agence France Press, Al Jazeera English, Deutsch Welle of Germany, France 24, Skynews Arabia, NEW TV, Al Ghad TV and many others have covered the effort in great detail.

EXPERTS' CORNER

AWARDS AND RECOGNITION FOR THE REPORTING PERIOD

Euromoney
Best Bank in Lebanon

Global Finance
Safest Bank in Lebanon
Best Private Bank in Lebanon
Most Innovative Digital Bank in Lebanon

The Banker Global Private Banking
Best Private Bank in Lebanon
Best Private Bank for Customer Services in the Middle East

MCE Group
Energy Ambassador of the Year

Banking Executive Magazine of the World Union of Arab Bankers
Best Investors Partnership and Most Valuable Banking Brand

INTERNAL AUDIT REPORT

Objectives: Review and evaluate the report of the Corporate Social Responsibility activities.

Internal Audit department conducted a review over Bank Audi's 2019/2020 Corporate Social Responsibility (CSR) Report based on the objective and scope outlined above.

Our audit revealed that the Bank is continuously exerting efforts to improve its CSR reporting. The review was based on interviews and testing on sample basis. In conclusion, no major discrepancies have come to our attention to make us believe that the information contained in this report has not been fairly presented in all material respect. However, we identified areas for potential improvement that Management should consider. These are as follow:

Compliance with Global Reporting Initiative (GRI) directives
Our sample testing revealed high levels of compliance with the Global Reporting Initiative (GRI) directives, however we noted the below:
- Directive 101 – 1.6 requires that the reported information reflect positive and negative aspects of the reporting organization's performance to enable a reasoned assessment of overall performance. The CSR report lists these initiatives together with their positive effect but does not tackle their negative effects (if any) along with the action plan taken by the Bank to address them. As such, we recommend the Bank to report all the effects of these activities along with an action plan to face the negative effects if they exist.
- Directive 102-10 requires the reporting organization to report:
i. Significant changes to the organization's size, structure, ownership, including, changes in the location of, or changes in, operations, including facility openings, closings, and expansions. The CSR report does not mention the changes in the number of branches the occurred during 2019/2020.
ii. Changes in the share capital structure, among others. The CSR report does not mention changes in the capital structure that occurred during 2020, such as the change in "Phoenicia Enterprises" ownership on 30.06.2020 (4.19%) vs 31.12.2020 (3.37%) and "Executives and employees" ownership 4.17% vs 2.04% during the same period also.

Other Matters
- The last approved CSR policy is dated in 2018. In light of the recent changes and developments, the Head of CSR has initiated the review of this policy in 2020, however this policy is still a draft and has not been approved by the BOD.
- No CSR Committee Charter exists to formalize the responsibilities and authorities of this committee. Furthermore, our review to the CSR Committee minutes of meeting (MoM) highlighted that during 2020 and 2021 only one meeting was held on March 17, 2021. Furthermore we noted that the MoM do not address or follow up on pending issues of the previous meeting.
- Due to the lack of resources and tools, the CSR unit is not capable of exhaustively ensuring that the reported and calculated figures are accurate and in harmony with published information. As such, we recommend sending the concerned departments, along with the draft CSR report, a disclaimer stating that these departments are fully responsible about the accuracy of the information they have provided.
- Several CSR activities and events, that are not initiated by the CSR unit or where the ownership is not under the CSR unit, were not pre-approved or validated by the CSR Committee. The following are examples, "planting of 42 cedrus libani seedlings in Sannine in October 2019" which was initiated by Corporate and Commercial Banking department and sharing, through "Bank Audi Community" Facebook group, articles, updates and useful links on COVID-19 which was initiated by Human Resources department. We recommend the Bank to develop a procedure in order to formalize the process of initiating CSR activities and events.
- Further reinforce the positioning of the CSR function to become integrated across all levels of the Bank as part of its overall strategy, decision making and business processes.

Resolved Issues
Some issues which were noted during our review were directly addressed by the Head of CSR and the CSR Report was amended accordingly.

Rana Nassif Sassine
Head of Internal Audit

SAMPLING OF BANK AUDI'S BRANDS, PRODUCTS AND SERVICES

Business Lines
- Personal Banking
- Business Banking
- Private Banking
- SME

Loyalty Programs
- Audi Rewards
- Travel Rewards
- Mercedes Stars
- ABC points
- Aishti AiPoints
- Cedar Miles
- Air Time
- Cashback
- Gift voucher

Cards
- Debit card
- Credit card
- Installment card
- Charge card
- Corporate card
- Co-branded card
- Prepaid card

Bancassurance
- Aman Al Elm
- Aman Al Ghad
- Aman Al Darb
- Aman Al Madkhoul
- Aman Al Hayat
- Aman Al Dirassa
- Aman Al Dar
- Hizam Al Aman
- Hizam Obligatory
- AMAN+
- Aman Al Safar

Accounts
- Sight deposit account
- Payroll account
- Spring account
- Wedding account
- Current account for individuals and businesses
- Deposit account
- External Account for individuals & Businesses

Loans
- Business loan
- Premises loan
- Kafalat loan
- Business Auto loan
- Empower card
- Power Card
- Home loan
- Environmental loan
- Car loan
- Personal loan
- Educational loan
- Loans for public sector

Services
- Bank Audi Mobile App
- PinPay
- ADSL service
- Bill domiciliation
- Audi Online
- Safe deposit box
- Chatbox
  - SMS service
  - E-statement
- AUDI Supply chain finance
- Transact Package

INITIATIVES ENDORSED BY BANK AUDI

Cultural events as detailed under Community Development.
Various business forums as detailed under Economic Development.
Educational activities as detailed under Human Development.
Numerous organisations with social, environmental, educational and health-oriented missions.

INITIATIVES TO ENHANCE FINANCIAL LITERACY

Initiative	Beneficiary Target Category	Goal	Subject Type	Availability
Spring Account	Youth (18-23 year-olds)	Practical access to money and special services	Informative	Online
Sight Deposit Account	Low-income individuals	Saving Account and additional benefits	Informative	Online
Personal Loan	Low-income individuals	Assists in personal spendings	Informative	Online
Wedding Account	Newlyweds	Helps newlyweds guarantee their future	Informative	Online
Housing Loan	Low-income individuals	Helps needy individuals buy houses	Informative	Online
Visa Business Debit Card	Businessmen	Helps businessmen control their business spendings	Informative	Online
All You Need to know about "Chip Cards"	All cardholders	Educates cardholders on the evolving "chip" technology which was introduced to combat growing levels of fraud	Informative	Online
Common Reporting Standard Transparency First	All	Helps fight tax evasion	Informative	Online
SME Products and Services Panoply	SME clients	Allow SMEs to manage their banking transactions and meet their business needs through flexible financial solutions	Informative	Online
BDL Circular references	All	Updating with regards to rights and responsibilities	Informative	Online including Arabic
Let's Talk Money	Youth (16-23 year-olds)	Interactive game featuring 6 categories of financial matters where participants get certified	Informative	Online including Arabic

EXAMPLES OF BANK AUDI'S MEMBERSHIP IN INDUSTRY ASSOCIATIONS:

Association des Banques du Liban (ABL)
Positions held:
1. Board of Directors: Mr. Samir Hanna (member).
2. Committee for Compliance and Fighting Money Laundering: chaired by Mr. Chahdan Jebeyli, Esq.
3. Legal Committee: chaired by Dr. Georges Achi.
4. Research Studies Committee: chaired by Dr. Marwan Barakat.
5. Corporate Governance Committee: Mr. Farid Lahoud (rapporteur).
6. Committee for Organisation, Standardisation and Information Technology.
7. Human Resources and Social Committee.
8. Banking Terms and Conditions Committee.
9. Islamic Banking Committee.
10. Investment Banking Committee.
11. Media and Communication Committee.

To note that all the above mentioned committees include representatives of Bank Audi, but we only mentioned the names of the persons who chair a committee or are "rapporteur" in it.

Union of Arab Banks
Lebanese Chamber of Commerce, Industry & Agriculture "CCIA"
International Chamber of Commerce – Lebanon "ICC"

OUR APPROACH TO CSR REPORTING

Reporting years are 2019 and 2020.
The previous report is the "CSR Report 2018: Contribute" published in June 2019.
The reporting cycle is: biennial.

For information about the report, please refer to:
Bank Audi's CSR Unit
CSR@bankaudi.com.lb
Bank Audi Palladium – Bab Idriss
Beirut, Lebanon

This report has been prepared in accordance with GRI Standards: Core option.

Our GHG emissions report is audited by V4 Advisors, an external expert in the field.

Our CSR Report is internally audited by our certified auditors.

OUR MATERIALITY PROCESS

Our materiality process habitually helps us identify the most relevant sustainability issues and prioritise these for strategic implementation within our organisation's processes. However, and unlike previous years (2018 and before), we could not engage with representatives of all our stakeholder groups as part of the diligent exercise we used to opt for as part of our materiality process. Instead, we held brainstorming discussions within the CSR Committee which led to an anonymous survey targeting a specific audience and to help assess, to the closest extent possible, the relevant material issues in these challenging times.

Our stakeholders offer us key perspectives. Their regular feedback is instrumental in directing our CSR strategy as well as their relevant aspect boundaries. In fact, this systematic attention defines our CSR strategy where the materiality exercise forms the basis for defining our current report's content.

As a result of identifying the relevant aspects of our sustainability, we have allocated resources for sustainability impact, in particular to the challenges imposed by the last two years where our community and its needs have influenced our decisions, coupled with the global interest in environmental protection.

As for defining report quality, priority was given to balance the interest of all audiences and not just sustainability experts, hence the omission of detailed indicators from the main frame of the Report and their availability within a special file addressed to experts and facilitating reading to a wider audience.

In the Experts' Corner, one can compare year-to-year data since reporting initiation on the various relevant indicators as per our materiality matrix in our chart generator.

Aiming for accuracy and clarity, we have provided timely and reliable information wherever available, with minor rounding.

Bank Audi's values remain well-rooted, and henceforth prioritised, due to the effect the relevant sustainability issues have on staff behaviour.

The entire process and the content of the Report is duly validated by all key stakeholders where external partners and all Bank Audi departments, including the Executive Committee and the Disclosure Committee, are implicated.

We acknowledge that the sustainability platform is an interactive stage and are cognisant of the changes needed. Hence, we adapt through regular reviews of our material issues especially where the last period has necessitated a fine-tuning of our materiality issues and their aspect boundaries, allowing us to retain the materiality issues that were considered of medium to high influence on our stakeholders' assessments, and medium to high in significance to Bank Audi's economic, environmental and social impacts. We continue to exclude from the Report those aspects that were considered non-material, given their lower importance and/or their inapplicability to Bank Audi's operating context.

Considering that this reporting is restricted to Bank Audi Lebanon, the materiality process is relevant for all Lebanese subsidiaries, and the scope of the material aspects and their boundaries are focused on Bank Audi Group – Lebanon entity (Bank Audi sal and its Lebanon-based subsidiaries), hence excluding other entities listed in the Bank's 2020 Financial Annual Report.

STAKEHOLDERS' CONSULTATIONS

STAKEHOLDER GROUPS STAKEHOLDERS INCLUDED	CHANNELS USED	ISSUES IDENTIFIED AND IMPLEMENTED IN 2019 AND 2020
Internal		
CSR Committee	Meetings	• Humanitarian payment solutions • Compliance to regulations • Targeted social aid • Health and safety matters • Pursuit of environmental projects • Transparency in reporting • Infrastructure investments • Youth empowerment • Procurement practices and exclusive local currency payments • Alleviating poverty • Gender equality
External		
Community	Anonymous e-survey especially addressed to mostly rural, under 35 year-olds of various social and education standings	• Sectorial subsidies • Supporting Lebanese industry • Alleviating poverty • Family health and well-being • In-kind and probono offerings

DISCLOSURE ON MANAGEMENT APPROACH

The material topics and their boundaries presented above form the essence of our entire materiality process. The two key challenges invariably encountered in relation to materiality include casting the net wide enough to capture important sustainability issues and corresponding risks and opportunities, yet not exceeding a reasonably small sub-set of material issues that really matter to the company and can be managed in a consistent way.

Defining these material issues and their boundaries is at the heart of our Disclosure on Management Approach (DMA). We exercise a rigorous and elaborate process in selecting materiality issues that matter the most to our stakeholders. We also assess each of these in terms of risks and opportunities for our business, our reputation and our finances.

Each of these issues is also evaluated annually in implications towards our business, taking into consideration the legal requirements, national priorities and international norms of behaviour within the scope of feasibility and implementation of CSR initiatives pertaining to these material issues.

Both our DMA and our reporting are guided by the values of relevance, accuracy, timeliness, comparability, reliability, clarity, balance and completeness. All these principles ensure that our approach to CSR reporting is organic and advancing dynamically to meet the changing expectations surrounding us, and that we remain true to our most cherished guiding values: transparency and civic engagement.

This report is thus intended to delineate the active steps we have taken to integrate sustainability in our business using our resources efficiently and responsibly, and respecting the precautionary principle in terms of minimising risks to our stakeholders and to the environment and society at large.

As part of our continuous improvement journey, we revisit our DMA every year, assessing its overall effectiveness, as well as potential gaps, weaknesses or shortcomings, and decide, in light of that, on any needed refinements or adjustments.

Aggregating all the issues identified, we are satisfied that our materiality, organised within our pillars, aligned with the SDGs we have pledged towards, addresses the concerns of our stakeholders. We hence project these within the aspect boundaries where the impact is highest, as summarised in the below table.

	Material Issue	Aspect Boundaries					
		Employees & Management	Shareholders	Suppliers	Clients	NGOs & Community	Regulatory Bodies
Corporate Governance	Ethical conduct	•	•		•	•	•
	Compliance & anti-corruption	•	•		•	•	•
	Environmental & Social Management System	•	•		•	•	•
	Human rights	•	•		•	•	•
Economic Development	Economic contribution	•	•	•	•		•
	Indirect economic impacts	•	•	•	•	•	
	Product responsibility & market presence	•	•	•	•	•	•
	Product portfolio		•		•		
	Infrastructure investments	•	•	•	•	•	•
	Inclusive and sustainable industrialisation		•		•	•	•
	Innovation	•	•	•	•	•	•
	Procurement practices	•	•	•	•	•	•
Community Development	Local community development: Moto ambulance	•	•	•	•	•	•
	Local community support: Health matters	•	•	•	•	•	•
	Local community collaboration: Beirut Port blast	•	•	•	•	•	•
	Financial literac	•		•	•	•	•
Human Development	Labour practices	•				•	
	Diversity, inclusion and equal opportunity	•				•	•
	Training, education and talent development	•			•	•	•
	External human development: Mentoring	•		•	•	•	•
Environmental Protection	Emissions and consumption	•	•			•	•
	Effluents and waste					•	•
	Environmental loans				•	•	•
	Awareness on resources' usage	•		•	•	•	•

CORPORATE GOVERNANCE

Sustainable Finance
New Loans with Environmental Benefits Provided during 2019 and 2020*

Project Name/Sector	Value Financed (USD)		Type Of Environmental Benefit
Company	350,000	1 Loan	Wastewater treatment system
Individual	157,000	3 Loans	Financing environmental parts
Company	750,000	1 Loan	Purchasing of environmental machines
Company	2,999,890	6 Loans	Photovoltaic hybrid solar system
Individual	128,100	4 Loans	Photovoltaic hybrid solar system
TOTAL	**4,384,990**	**15 Loans**	

** These financings constitute a particular financial product, namely "Green Loans" under the Pollution Abatement, NEEREA and LEA mechanism, which are subsidised by the Central Bank of Lebanon (BDL). NEEREA and LEA loans are submitted for review by the LCEC prior to their approval by BDL, in addition to Pollution Abatement loans whish are also approved by LEPAP.*

Anti-corruption Related Training

Year on year, our employees and governance bodies attend anti-corruption related trainings which include aspects of human rights as relevant to our operations.

		Anti-Corruption Training	Total Employees Eligible for Training	Percentage
2020	EMPLOYEES	50	2020	2%
	MIDDLE MANAGEMENT	30	600	5%
	SENIOR MANAGEMENT	1	22	5%
	TOTAL EMPLOYEES	**81**	**2642**	**3%**
2019	EMPLOYEES	1,003	2,268	44%
	MIDDLE MANAGEMENT	317	833	38%
	SENIOR MANAGEMENT	10	29	34%
	TOTAL EMPLOYEES	**1,330**	**3,130**	**42%**
2018	EMPLOYEES	297	2,354	13%
	MIDDLE MANAGEMENT	120	868	14%
	SENIOR MANAGEMENT	1	31	3%
	TOTAL EMPLOYEES	**418**	**3,253**	**13%**
2017	EMPLOYEES	298	2,503	12%
	MIDDLE MANAGEMENT	181	868	21%
	SENIOR MANAGEMENT	29	31	93%
	TOTAL EMPLOYEES	**508**	**3,402**	**15%**
2016	EMPLOYEES	1,133	2,603	44%
	MIDDLE MANAGEMENT	259	680	38%
	SENIOR MANAGEMENT	15	40	38%
	TOTAL EMPLOYEES	**1,407**	**3,323**	**42%**
2015	EMPLOYEES	1,009	2,511	40%
	MIDDLE MANAGEMENT	276	584	47%
	SENIOR MANAGEMENT	12	35	34%
	TOTAL EMPLOYEES	**1,297**	**3,130**	**41%**
2014	EMPLOYEES	1,205	2,434	49%
	MIDDLE MANAGEMENT	214	474	45%
	SENIOR MANAGEMENT	31	81	38%
	TOTAL EMPLOYEES	**1,450**	**2,989**	**49%**

ECONOMIC DEVELOPMENT

Economic Contribution*

	2014	2015	2016	2017	2018	2019	2020
TOTAL NUMBER OF EMPLOYEES	2,989	3,310	3,323	3,402	3,253	3,130	2,642
TOTAL NUMBER OF OPERATIONS	47,225,446	52,309,613	55,697,141	62,175,796	47,444,313	57,357,696	29,775,870
TOTAL OPERATING INCOME	USD 689.6 million	USD 836.1 million	USD 1,159 million**	USD 871.1 million	USD 911.9 million	USD 872.2 million	(USD 238.5 million)
TOTAL SHAREHOLDERS' EQUITY AND SUBORDINATED DEBT	USD 3.64 billion	USD 3.77 billion	USD 4.27 billion	USD 4.53 billion	USD 4.32 billion	USD 3.59 billion	USD 3.14 billion
TOTAL NUMBER OF PRODUCTS AND SERVICES	72 products 73 services	72 products 74 services	74 products 79 services	51 products 56 services**	50 products 46 services	50 products 46 services	38 products 20 services

** Excluding consolidation adjustments.* *** This fluctuation is due to the sale of the Card and Electronic Payment processing and acquiring activities.*

Direct Economic Contribution*

	2014	2015	2016	2017***	2018***	2019***	2020***
TAXES	USD 52 million	USD 48 million	USD 63 million	USD 62 million	USD 104 million****	USD 137 million	LBP 251 billion
ECONOMIC SPONSORSHIPS (creating job opportunities/ enhancing innovation/allowing local economies to prosper)	> USD 535,000	USD 920,990	USD 825,990	USD 520,450	USD 479,450	USD 422,663	LBP 2.31 billion
ASSETS FOR LEBANON GROUP	USD 24.5 billion	USD 25.8 billion	USD 29.81 billion	USD 30.61 billion	USD 34.74 billion	USD 28.18 billion	LBP 33,713 billion
ASSETS FOR LEBANON GROUP WHEN ACCOUNTING FOR FIDUCIARY DEPOSITS	USD 29.4 billion	USD 30.7 billion	USD 35.7 billion	USD 36.94 billion	USD 41.56 billion	USD 34.81 billion	LBP 38,468 billion
TOTAL OPERATING EXPENSES	USD 372.6 million	USD 394.5 million	USD 462.5 million	USD 383.46 million	USD 388.78 million	USD 341.42 million	LBP 490 billion
INCOME TAXES	USD 30 million**	USD 64 million**	USD 136 million**	USD 66.85 million	USD 62.57 million	USD 14.62 million	LBP 51 billion
PERSONAL INCOME TAXES FROM EMPLOYEES' SALARIES	USD 13 million**	USD 18 million**	USD 18 million**	USD 21.35 million	USD 18.63 million	USD 19.34 million	LBP 16 billion
EMPLOYEES' SALARIES	USD 90 million**	USD 101 million**	USD 123 million**	USD 150 million	USD 147 million	USD 146 million	LBP 164 billion
SOCIAL SECURITY CONTRIBUTIONS	USD 14 million**	USD 14 million**	USD 16 million**	USD 18 million	USD 17 million	USD 17 million	LBP 21 billion
TOTAL LOANS WITH LOW INTEREST RATES	USD 50.8 million	USD 49.2 million	USD 43.4 million	USD 43.3 million	USD 52.4 million	USD 53.6 million	-
TOTAL BENEFICIARIES OF KAFALAT LOANS	437	460	515	487	545	553	-
KAFALAT LOANS/YEAR	N/A	USD 11 million	USD 11.88 million	USD 9.16 million	USD 9.14 million	USD 1.19 million	-
BENEFICIARIES OF KAFALAT LOANS/YEAR	N/A	66	60	69	58	8	-
SANAD LOANS	USD 18 million	USD 15.4 million	USD 17.3 million	USD 16.3 million	USD 14.9 million	USD 13.1 million	-
BENEFICIARIES OF SANAD LOANS	149	163	110	117	168	201	-
TOTAL CONTRIBUTIONS OF LEBANON'S GDP	1.80%	1.81%	2.34%	2.20%	1.82%	Not reporting	-
BDL CIRCULAR 331 COMMITTED INVESTMENTS	USD 11 million	USD 26 million	USD 41 million	USD 47.6 million	USD 48.8 million	USD 46.4 million	LBP 69 billion
SUPPORT EVENTS AND ASSOCIATIONS	USD 265,431	USD 489,085	USD 548,000	USD 482,250	USD 441,265	USD 468,596	LBP 121 billion

** Excluding consolidation adjustments.* *** For Bank Audi sal.* **** Consolidated including Bank Audi Lebanon Group.* ***** The difference is related to the projected withholding tax on dividends' distribution.*

Although the currency used to pay these was the Lebanese Pound (LBP) in previous years, it was accounted for reporting purposes at 1,507.50 to the USD as per official rate.

Infrastructure Investments

The following table exposes some of the internal infrastructure business investments and tender file study for the benefit of the public sector made during the reporting period which will impact our support in services to the communities that are in the direct vicinity.

PROJECT	DESCRIPTION	COST	INVESTMENT
Tyre Abbassieh branch	New branch	LBP 2.78 billion	Commercial
Zebdine branch	Novo	LBP 231 million	Commercial
Bourj Hammoud branch	Renovation	LBP 754 million	Commercial
Simkaniye branch	New e-branch	LBP 297 million	Commercial
Ministry Of Energy and Water	Power plant Selaata/Zahrani	LBP 2.19 billion	Public sector
	TOTAL	**LBP 6.25 billion**	

COMMUNITY DEVELOPMENT

Local Community Support

	2014	2015	2016	2017	2018	2019	2020
TOTAL CONTRIBUTIONS TO THE COMMUNITY	USD 4.7 million	USD 4.6 million	USD 5.1 million	USD 5.1 million	USD 9.6 million	LBP 12.5 billion	LBP 13.7 billion
HEALTH	USD 557,000	USD 619,000	USD 773,693	USD 792,210	USD 1.4 million	LBP 1 billion	LBP 4 billion
HUMANITARIAN AND SOCIAL	USD 2.5 million	USD 2.5 million	USD 2.5 million	USD 2.8 million	USD 7.2 million	LBP 10.5 billion	LBP 8.9 billion
CULTURE	USD 1.47 million	USD 1.33 million	USD 1.70 million	USD 1.11 million	USD 880,764	LBP 808 million	LBP 669 million
FULL COST OF TREATMENT FOR ONE SICK CHILD	USD 54,000	USD 50,000	USD 53,560	USD 116,000	USD 55,645	LBP 73.6 million	LBP 64 million
EMPLOYEES' CONTRIBUTION	485	466	454	441	440	411	318
FACILITATED TREATMENT OF CHILDREN WITH CONGENITAL HEART PROBLEMS	USD 150,000	USD 150,000	USD 150,000	USD 151,000	USD 175,000	LBP 265 million	-
CALLS FOR BLOOD DONATION DRIVE	65	51	75	120	150	61	30
COMMITTING TO NGOs THAT SUPPORT DISADVANTAGED PEOPLE	USD 74,000	USD 110,640	USD 113,217	USD 88,934	USD 38,200	LBP 38 million	-
COMMITTING TO NGOs THAT SUPPORT DIFFERENT SOCIAL CAUSES	USD 80,000	USD 100,000	USD 90,000	USD 49,289	USD 65,000	LBP 48 million	LBP 1.7 billion
SPORTS ACTIVITIES SPONSORSHIP	USD 100,000	USD 115,000	USD 144,000	USD 270,990	USD 65,542	LBP 104 million	-

** Electronic Payment and Card Services (EPCS) was sold in 2017; hence these activities were ceased.*

Although the currency used to pay these was the Lebanese Pound (LBP) in previous years, it was accounted for reporting purposes at 1,507.50 to the USD as per official rate.

Local Community Development

	2014	2015	2016	2017	2018	2019	2020
BENEFICIARIES FROM PHILANTHROPIC CONTRIBUTIONS IN THE REALM OF CULTURAL DEVELOPMENT	Over 900,000	1,000,000	968,000	943,000	888,425	721,955	84,944
NUMBER OF BANK AUDI EMPLOYEES WHO PARTICIPATED IN THE BEIRUT INTERNATIONAL MARATHON (BIM)	500	400	488	380	394	0	0
NGOs SUPPORTED IN THE BIM	Brave Heart Fund	Kunhadi Association	Donner Sang Compter	himaya	Human Rights Watch	Oum el Nour	0

Due to COVID, BIM did not take place in 2020.

Local Community Collaboration

VOLUNTEER PROGRAM	2014	2015	2016	2017	2018	2019	2020
NGO PARTNERS	6	8	11	18	16	20	13
BENEFICIARIES	683*	1,792*	2,040*	2,815*	4,362	3,298	spillover impact
VOLUNTEERS	150	228	306	392	359	549	491
HOURS	530*	580*	1,804*	1,873*	1,575	1,380	400

HUMAN DEVELOPMENT

Training, Education and Talent Development

		2014	2015	2016	2017	2018	2019	2020
AVERAGE EMPLOYEE TRAINING HOURS	EMPLOYEE	29.73	36.18	33.59	34.19	37.02	13.5	1.1
	MALE	25.12	32.13	27.14	29.17	33.34	12.8	0.6
	FEMALE	35.24	41.03	41.14	40.03	41.24	14.2	1.6
	FRONTLINE EMPLOYEE	27.04	36.09	32.37	34.06	42.39	13.2	1.1
	MIDDLE MANAGER	44.89	36.68	38.16	34.58	23.18	13.9	1.4
	SENIOR MANAGER	22.05	34.43	35.33	34.03	17.26	19.7	0.1

CAREER ADVANCEMENT PROGRAMS

- During the reporting period, 19 – Branch Management Program (BMP): provides qualified employees with an equal opportunity to assume first line supervisory positions. It is designed to identify, train and develop the Bank's future branch managers and assistant managers through a one to three-year program exposing them to an intensive and learning environment. By end of 2020, 4 were assigned branch managers titles.
- 147 – Certified in miscellaneous BDL modules.
- 21 employees benefited from the Bank's sponsorship grants as follows: 8 professional certifications; banking studies.

Diversity, Inclusion and Equal Opportunity

Employee Composition by Gender and Employee Category at Bank Audi Group Lebanon

		% of Staff (below Grade 17)		% of Middle Managers (Grade 17 to Grade 21 Inclusive)		% of Top Managers (Grade 22 and above)	
		F	M	F	M	F	M
2020	BANK AUDI sal	38.35%	34.89%	12.40%	13.40%	0.18%	0.77%
	OTHER LEBANESE ENTITIES	25.23%	65.68%	4.77%	3.86%	0%	0.45%
2019	BANK AUDI sal	36.94%	34%	13.29%	14.78%	0.15%	0.84%
	OTHER LEBANESE ENTITIES	21.83%	58.52%	8.73%	10.32%	0%	0.60%
2018	BANK AUDI sal	37.31%	33.83%	12.67%	15.15%	0.11%	0.93%
	OTHER LEBANESE ENTITIES	20.58%	57.76%	9.39%	11.73%	0%	0.54%
2017	BANK AUDI sal	37.76%	34.73%	11.81%	14.60%	0.14%	0.96%
	OTHER LEBANESE ENTITIES	21%	57.67%	9.17%	11.33%	0%	0.83%
2016	BANK AUDI sal	38.21%	37.23%	10.49%	12.77%	0.36%	0.94%
	OTHER LEBANESE ENTITIES	28.60%	46.32%	5.78%	14.45%	0%	4.85%
2015	BANK AUDI sal	38.98%	38.63%	9.35%	11.66%	0.38%	1%
	OTHER LEBANESE ENTITIES	30.34%	49.08%	4.44%	11.33%	0%	4.80%
2014	BANK AUDI sal	39.80%	39.60%	8.60%	11.30%	0%	0.60%
	OTHER LEBANESE ENTITIES	31.50%	50.40%	3.90%	11.30%	0%	3%

Employee Composition by Age Group and Employee Category at Bank Audi Group Lebanon

		% of Staff (below Grade 17)			% of Middle Managers (Grade 17 to Grade 21 Inclusive)			% of Top Managers (Grade 22 and above)		
		<30	BETWEEN 30-50	>50	<30	BETWEEN 30-50	>50	<30	BETWEEN 30-50	>50
2020	BANK AUDI sal	11.59%	51.11%	10.54%	0.05%	20.40%	5.36%	0%	0.23%	0.59%
	OTHER LEBANESE ENTITIES	12.27%	48.64%	30%	0%	5.91%	2.73%	0%	0%	0.45%
2019	BANK AUDI sal	16.41%	41.81%	12.72%	0.08%	19.23%	8.76%	0%	0.23%	0.76%
	OTHER LEBANESE ENTITIES	13.10%	41.47%	25.79%	1.98%	5.56%	11.50%	0%	0.20%	0.40%
2018	BANK AUDI sal	19.34%	40.35%	11.45%	0.07%	19.82%	7.93%	0%	0.26%	0.78%
	OTHER LEBANESE ENTITIES	16.61%	40.25%	21.48%	3.97%	7.22%	9.93%	0%	0.18%	0.36%
2017	BANK AUDI sal	23.91%	37.44%	11.13%	0.21%	19.09%	7.10%	0%	0.39%	0.71%
	OTHER LEBANESE ENTITIES	19%	38.83%	20.83%	4.83%	7%	8.67%	0%	0.33%	0.50%
2016	BANK AUDI sal	21.63%	40.23%	13.57%	0.14%	17.80%	5.31%	0%	0.47%	0.83%
	OTHER LEBANESE ENTITIES	13.16%	40.70%	21.07%	0%	13.39%	6.84%	0%	2.42%	2.42%
2015	BANK AUDI sal	20.89%	41.71%	15.01%	0.08%	15.78%	5.16%	0%	0.50%	0.88%
	OTHER LEBANESE ENTITIES	16.89%	39.51%	23.02%	0%	11.96%	3.81%	0%	2.08%	2.71%
2014	BANK AUDI sal	22%	42%	15%	0%	15%	5%	0%	0%	1%
	OTHER LEBANESE ENTITIES	17%	42%	23%	2%	9%	4%	0%	3%	0%

Composition of Governance Body Committees by Gender and Age Group at Bank Audi as at December 2020

Board and Committees	Gender (%)		Age (%)		
	M	F	<30	30-50	>50
Board of Directors	78	22			100

NB: Senior Management positions are mostly occupied by employees who are older, and hence have more seniority, experience and tenure within the Bank.

Employee Distribution by Contract Type and Gender at Bank Audi Group Lebanon

			CONTRACT							
		Total Number of Employees	Gender		Limited Employment Contract		Unlimited Employment Contract		Collective Agreement	
			F	M	F	M	F	M	% Covered	% Not Covered
2020	BANK AUDI sal	2,201	1,121	1,080	14	5	1,107	1,075	99.91%	0.09%
	OTHER LEBANESE ENTITIES	441	133	308	16	20	117	288	13.41%	86.59%
	TOTAL	2,642	1,254	1,388	30	25	1,224	1,363	85.5%	14.50%
2019	BANK AUDI sal	2,626	1,323	1,303	25	37	1,298	1,270	99.43%	0.57%
	OTHER LEBANESE ENTITIES	508	157	351	20	36	134	314	23.61%	76.39%
	TOTAL	3,134	1,480	1,654	45	73	1,432	1,584	87.00%	13.00%
2018	BANK AUDI sal	2,699	1,352	1,347	40	47	1,312	1,300	99.33%	0.67%
	OTHER LEBANESE ENTITIES	554	166	388	27	47	139	341	22.92%	77.08%
	TOTAL	3,253	1,518	1,735	67	94	1,451	1,641	86.32%	13.68%
2017	BANK AUDI sal	2,802	1,393	1,409	39	52	1,354	1,357	99.39%	0.61%
	OTHER LEBANESE ENTITIES	600	181	419	29	50	152	369	19.83%	80.17%
	TOTAL	3,402	1,574	1,828	68	102	1,506	1,726	85.36%	14.64%
2016	BANK AUDI sal	2,764	1,372	1,392	66	67	1,306	1,325	100%	0%
	OTHER LEBANESE ENTITIES	559	158	401	23	46	135	355	33.33%	66.66%
	TOTAL	3,323	1,530	1,793	89	113	1,441	1,680	88.78%	11.21%
2015	BANK AUDI sal	2,599	1,266	1,333	39	45	1,227	1,288	100%	0%
	OTHER LEBANESE ENTITIES	531	158	373	24	36	134	337	32.11%	67.89%
	TOTAL	3,130	1,424	1,706	63	81	1,361	1,625	88.48%	11.52%
2014	BANK AUDI sal	2,511	1,217	1,294	33	36	1,184	1,258	97.3%	2.7%
	OTHER LEBANESE ENTITIES	478	143	335	13	22	130	313	36.3%	63.7%
	TOTAL	2,989	1,360	1,629	46	58	1,314	1,571	88.48%	12.46%

** This table was updated from previously published reports due to calculation flaws.*

LABOUR PRACTICES

New Employee Hires in Bank Audi Group Lebanon

		Total Number of New Hires	Total Number of New Hires by Gender		Total Number of New Hires by Age		
			F	M	<30	BETWEEN 30-50	>50
2019	BANK AUDI sal	19	13	6	18	1	0
	OTHER LEBANESE ENTITIES	12	4	8	8	2	2
	TOTAL	31	17	14	26	3	2
2018	BANK AUDI sal	12	5	7	4	8	0
	OTHER LEBANESE ENTITIES	2	1	1	1	0	1
	TOTAL	14	6	8	5	8	1
2017	BANK AUDI sal	210	118	92	144	66	0
	OTHER LEBANESE ENTITIES	71	19	52	47	24	0
	TOTAL	281	137	144	191	90	0
2016	BANK AUDI sal	272	149	123	187	85	0
	OTHER LEBANESE ENTITIES	74	10	64	42	29	3
	TOTAL	346	159	187	229	114	3
2015	BANK AUDI sal	223	109	114	131	89	3
	OTHER LEBANESE ENTITIES	97	24	73	48	38	11
	TOTAL	320	133	187	179	127	14
2014	BANK AUDI sal	186	97	89	136	48	2
	OTHER LEBANESE ENTITIES	48	11	37	25	19	4
	TOTAL	234	108	126	161	67	6

No new hires in 2020.

Return to Work and Retention Rates after Parental Leave, by Gender

		Total Number of Employees Who Took Parental Leave		Total Number of Employees Who Returned to Work after Parental Leave		Total Number of Employees Who Returned to Work after Parental Leave Ended and Are still Employed 12 Months after Their Return		Return to Work Rate		Retention Rate	
		F	M	F	M	F	M	F	M	F	M
2020	BANK AUDI sal	38	34	38	34	33	33	100%	100%	87%	97%
	OTHER LEBANESE ENTITIES	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	BANK AUDI sal	67	68	67	68	67	68	100%	100%	100%	100%
	OTHER LEBANESE ENTITIES	3	5	3	5	3	5	100%	100%	100%	100%
2018	BANK AUDI sal	63	57	61	57	61	57	97%	100%	97%	100%
	OTHER LEBANESE ENTITIES	4	14	4	14	4	14	100%	100%	100%	100%
2017	BANK AUDI sal	48	45	48	45	48	45	100%	100%	100%	100%
	OTHER LEBANESE ENTITIES	3	12	3	12	3	12	100%	100%	100%	100%
2016	BANK AUDI sal	56	55	56	55	54	54	100%	100%	96.43%	98.18%
	OTHER LEBANESE ENTITIES	4	14	4	14	4	14	100%	100%	100%	100%
2015	BANK AUDI sal	79	61	76	56	76	56	96.2%	91.8%	96.2%	91.8%
	OTHER LEBANESE ENTITIES	1	8	1	8	1	8	100%	100%	100%	100%
2014	BANK AUDI sal	81	51	75	51	72	47	96.5%	100%	96%	92%
	OTHER LEBANESE ENTITIES	6	10	5	10	5	10	89%	100%	100%	100%

Cost of Benefits to Employees

	2014*	2015*	2016*	2017	2018	2019	2020
Salaries and benefits	USD 165 million	USD 170 million	USD 199 million	USD 198 million	USD 201 million	LBP 246 billion	LBP 139 billion
Number of employees supported	888	940	970	1,219	1,258	1,277	1,035

** Previous years calculated for Bank Audi sal only. As of 2017, for Bank Audi Group Lebanon.*

EXTERNAL HUMAN DEVELOPMENT

	2014	2015	2016	2017	2018	2019	2020
Loans at preferential interest rates to university students	USD 3.9 million	USD 6.4 million	USD 6.5 million	USD 6.75 million	USD 7.84 million	USD 9.79 million	LBP 249 million
Number of beneficiaries from university loans	238	373	371	413	461	424	7
Number of internships to university students	432	423	510	497	513	450	0
Cost of internships	USD 80,000	USD 163,000	USD 198,000	USD 148,000	USD 182,000	USD 256,000	-
Children's tuition fees	USD 4 million	USD 5.3 million	USD 5.4 million	USD 6.6 million	USD 7.7 million	USD 7.8 million	LBP 10.9 billion
Support of key educational institutions through scholarships and donations	USD 640,000	USD 746,349	USD 961,045	USD 943,038	USD 991,501	USD 1,220,698	LBP 910 million

ENVIRONMENTAL PROTECTION

EFFLUENTS AND WASTE
Total Weight of Waste in Kg

Year	E-Waste*	Plastic	Metals	PET Bottles*	Paper	Number of Trees Saved
2012	–	30	4,740	–	51,770	1,102
2013	–	130	690	–	83,192	1,414
2014	–	157	–	–	103,722	1,763
2015	403	150	–	33	146,769**	2,495
2016	2,124	196	54	1,518	111,080	1,888
2017	4,000	129	20,640***	1,005	92,600	1,574
2018	2,192	67	3,882***	1,407	70,328 + 11,320[1]	1,196 + 192[1]
2019	760	85	10	1,397	68,429 + 32,606[1]	1,163 + 554[1]
2020	1,350	9	4	839	97,390 + 21,235[1]	1,656 + 361[1]
TOTAL	**10,829**	**953**	**30,021**	**6,200**	**890,441**	**15,358**

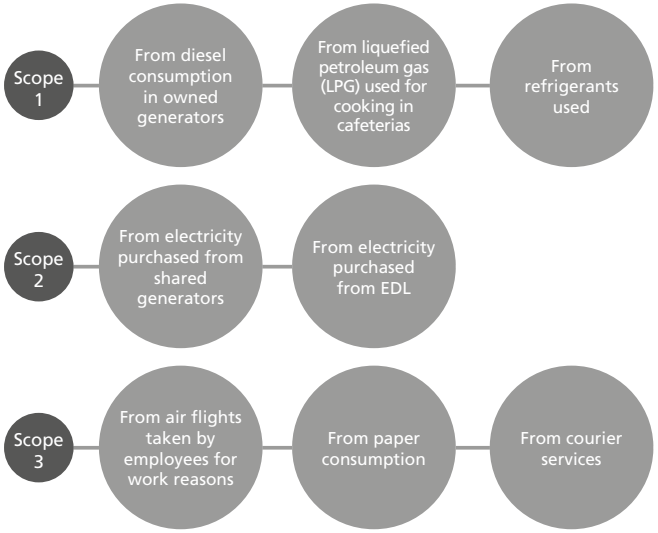
** Initiated in 2015.*
*** Includes disposing of non-recurrent archives.*
**** Includes disposing of non-recurrent old ATMs.*
[1] Starting 2018, a special street recycling initiative was launched, inviting the communities where our bins are located to join paper recycling efforts. The result of this is shown as a separate addition annually and calculated within our total savings and impacts.

EMISSIONS

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total GHG emissions	22,199.0 tCO_{2e}	21,309.8 tCO_{2e}	21,065.6 tCO_{2e}	21,738.2 tCO_{2e}	19,976.2 tCO_{2e}*	23,292.7 tCO_{2e}	22,515.0 tCO_{2e}	19,304.0 tCO_{2e}	11,914.9 tCO_{2e}
GHG emissions per employee	7.99 tCO_{2e}	7.68 tCO_{2e}	7.0 tCO_{2e}	6.9 tCO_{2e}	6.01 tCO_{2e}	6.88 tCO_{2e}	6.51 tCO_{2e}	6.21 tCO_{2e}	5.14 tCO_{2e}
GHG emissions per m^2	0.230 tCO_{2e}	0.220 tCO_{2e}	0.218 tCO_{2e}	0.225 tCO_{2e}	0.200 tCO_{2e}	0.205 tCO_{2e}	0.198 tCO_{2e}	0.170 tCO_{2e}	0.106 tCO_{2e}
Total GHG emissions % from Scope 1	20.3%	19.2%	21.3%	20.5%	38%	22%	15%	16.5%	26.6%
Total GHG emissions from Scope 1	4,495.9 tCO_{2e}	4,101.7 tCO_{2e}	4,486.2 tCO_{2e}	4,448.1 tCO_{2e}	7,668.2 tCO_{2e}	5,054.3 tCO_{2e}	3,412.9 tCO_{2e}	3,187.0 tCO_{2e}	3,168.7 tCO_{2e}
Total GHG emissions % from Scope 2	74.3%	75.1%	72.8%	72.1%	53%	73%	80%	79.2%	68.9%
Total GHG emissions from Scope 2	16,487.5 tCO_{2e}	16,003.9 tCO_{2e}	15,338.3 tCO_{2e}	15,672.4 tCO_{2e}	10,506.1 tCO_{2e}	16,993.7 tCO_{2e}	17,799.9 tCO_{2e}	15,286.6 tCO_{2e}	8,207.12 tCO_{2e}
Total GHG emissions % from Scope 3	5.5%	5.7%	5.9%	7.4%	9%	5%	0%	4.3%	4.5%
Total GHG emissions from Scope 3	1,216.5 tCO_{2e}	1,204.2 tCO_{2e}	1,241.0 tCO_{2e}	1,617.7 tCO_{2e}	1,801.8 tCO_{2e}	1,244.7 tCO_{2e}	913.9 tCO_{2e}	830.3 tCO_{2e}	539.1 tCO_{2e}
Flight trips % of Scope 3	71.80%	74.3%	68.4%	63.3%	66%	54%	44%	44.7%	13.6%
Flight trips	873.1 tCO_{2e}	894.9 tCO_{2e}	849.5 tCO_{2e}	1,024.5 tCO_{2e}	1,193.9 tCO_{2e}	670.5 tCO_{2e}	406.6 tCO_{2e}	370.8 tCO_{2e}	73.1 tCO_{2e}
Courier services % of Scope 3	8.40%	8.4%	8.2%	23.1%	21%	30%	41%	44.9%	69.2%
Courier services	101.5 tCO_{2e}	101.4 tCO_{2e}	101.4 tCO_{2e}	373.8 tCO_{2e}	373.8 tCO_{2e}	373.8 tCO_{2e}	373.1 tCO_{2e}	373.1 tCO_{2e}	373.1 tCO_{2e}
Paper consumption % of Scope 3	19.80%	17.20%	23.4%	13.6%	13%	16%	15%	10.4%	17.2%
Paper consumption	241.0 tCO_{2e}	209.7 tCO_{2e}	290.1 tCO_{2e}	219.4 tCO_{2e}	234.1 tCO_{2e}	200.3 tCO_{2e}	134.2 tCO_{2e}	86.4 tCO_{2e}	92.8 tCO_{2e}

** It is worth noting that at reporting time and given the lack of official data, some estimations were made on our electricity consumption.*

Bank Audi's Greenhouse Gas Emission Sources

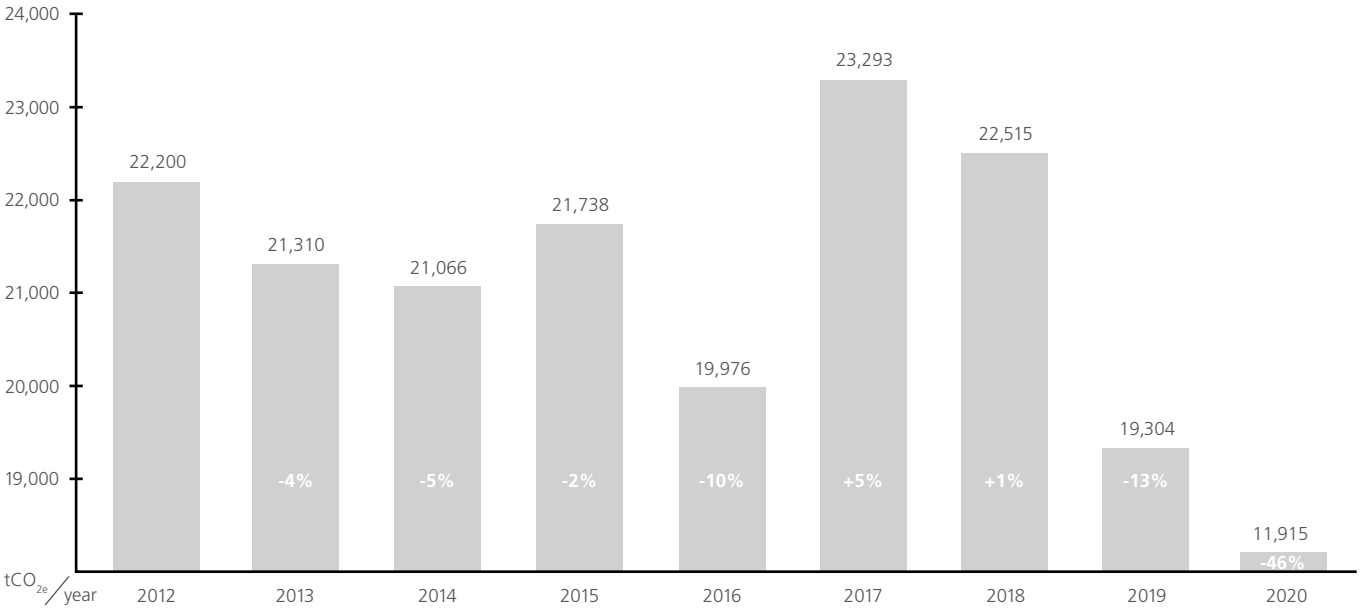


ENERGY CONSUMPTION

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total fuel consumption	1,485,978.6 litres	1,489,900 litres	1,439,665.8 litres	1,402,789.8 litres	2,608,853.4 litres	1,477,862 litres	988,057 litres	959,727 litres	1,032,986 litres
Total electricity consumption	25,622.9 MWH	19,185.68 MWH	23,922 MWH	23,745.1 MWH	17,489.4 MWH	24,176.3 MWH	23,893.53 MWH	21,630.8 MWH	15,306.3 MWH
% of electricity purchased from EDL	76.44%	98.3%	75.9%	73.4%	44.4%	66%	65.4%	70.25%	77.07%
% of electricity produced by owned generators	12.28%	0.8%	12.7%	12.5%	31.6%	12.90%	25.9%	9.40%	14.29%
% of electricity purchased from shared generators	11.28%	0.9%	11.4%	14.1%	24%	21.10%	8.8%	20.35%	8.64%

Sources of conversion factors used are the same as those used in 2013 CSR Report, Figure 20.

EMISSIONS



Percentages compared to baseline year, 2012.

Total GHG Emissions per Year for BA

Sources	%
EDL	66.7%
Shared generator	2.2%
Diesel consumption	23.9%
Refrigerant	2.6%
Flights	0.6%
Courier services	3.1%
Paper	0.8%
Lubricant oil	0.1%

The sudden drop in the value of shared generators is justified by particular factors of 2020 (COVID, etc.). The overall drop of 46% in GHG emissions for 2020 can also be rationalised similarly.

Bank Audi Contributing to Reducing the Nation's Carbon Footprint through Environmental Loans

	2013	2014	2015	2016	2017	2018	2019	2020
Total tCO_2 avoided due to environmental loans	158 tCO_2	2,533 tCO_2	12,771 tCO_2	10,828 tCO_2	23,023 tCO_2	36,977 tCO_2	103,652 tCO_2	147,721 tCO_2

Bank Audi contributed to reducing the nation's carbon footprint through facilitating environmental loans granted by the Central Bank of Lebanon (Circular 236), in coordination with the Lebanese Centre for Energy Conservation (LCEC), as observed since 2013.

These loans helped various residential, commercial and industrial projects emerge with reduced carbon emissions. Hence an overall avoiding of 147,721 tCO_2 in carbon footprint using efficient energy and solar or photovoltaic solutions.

CONCORDANCE TABLE

GRI STANDARDS		ISO 26000	UN GLOBAL COMPACT	SDG	REFERENCE
UNIVERSAL STANDARDS					
102 - General Disclosures					
Organisational Profile					
102-1	Report the name of the organisation.	6.3.10. 6.4.1- 6.4.5. 6.8.5. 7.8.			P. 7
102-2	Report the primary brands, products and services.				P. 9, 40, 41
102-3	Report the location of the organisation's headquarters.				P. 7
102-4	Report the number of countries where the organisation operates, and names of countries where it has significant operations or that are specifically relevant to the sustainability topics covered in the Report.				P. 7
102-5	Report the nature of ownership and legal form.				P. 7
102-6	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).				P. 7
102-7	Report the scale of the organisation, including: - Total number of employees. - Total number of operations. - Net sales (for private sector organisations) or net revenues (for public sector organisations). - Total capitalisation broken down in terms of debt and equity (for private sector organisations). - Quantity of products or services provided.			SDG 8 SDG 9	P. 9, 14, 47 FAR
102-8	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organisation's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data was compiled, including any assumptions made.		Principle 6	SDG 5 SDG 8 SDG 10 SDG 16	P. 51
102-9	A description of the organisation's supply chain, including its main elements as they relate to the organisation's activities, primary brands, products, and services.			SDG 8	P. 17
102-10	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain: - Changes in the location of, or changes in operations, including facility openings, closings, and expansions. - Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations). - Changes in the location of suppliers and the structure of the supply chain, or in relationships with suppliers, including selection and termination.				P. 7
102-11	Report whether and how the organisation applies the Precautionary Principle or approach.			SDG 8 SDG 9 SDG 13	P. 11, 43
102-12	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.			SDG 8	P. 2, 6, 8, 41
102-13	A list of the main memberships of industry or other associations, and national or international advocacy organisations.		Principle 3		P. 42

GRI STANDARDS		ISO 26000	UN GLOBAL COMPACT	SDG	REFERENCE
Strategy					
102-14	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and its strategy for addressing sustainability.	4.7. 6.2. 7.2. 7.4.2.			P. 3
Ethics and Integrity					
102-16	Describe the organisation's values, principles, standards and norms of behaviour.	4.4. 6.6.3.	Principle 10	SDG 8 SDG 16	P. 11
Governance					
102-18	The reporting organisation shall report the following information: a. Governance structure of the organisation, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	6.2. 7.4.3. 7.7.5.			P. 7
Stakeholder Engagement					
102-40	Provide a list of stakeholder groups engaged by the organisation.	5.3.			P. 43
102-41	Percentage of total employees covered by collective bargaining agreements.	6.3.10. 6.4.1- 6.4.5. 6.8.5. 7.8.	Principle 3	SDG 8 SDG 10 SDG 16	P. 51
102-42	Report the basis for identifying and selecting stakeholders with whom to engage.	5.3. 6.7.1 - 6.7.2. 6.7.6.			P. 8, 42-44
102-43	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagements was undertaken specifically as part of the Report's preparation process.				P. 8, 42-44
102-44	Report key topics and concerns that were raised through stakeholder engagement, including: i. How the organisation has responded to those key topics and concerns, including through its reporting. ii. The stakeholder groups that raised each of the key topics and concerns.				P. 8, 42-44
Reporting Practice					
102-45	Report the following information: a. List all entities included in the organisation's consolidated financial statements or equivalent documents. b. Whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the Report.	5.2. 7.3.2. - 7.3.4.			P. 42
102-46	a. Explain the process for defining the Report's content and the aspect boundaries. b. Explain how the organisation has implemented the reporting principles for defining the Report's content.				P. 42-44
102-47	List all the material topics identified in the process for defining the Report's content.				P. 42-44
102-48	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.				P. 42
102-49	Report significant changes from previous reporting periods in the list of material topic and topic boundaries.				P. 42

GRI STANDARDS		ISO 26000	UN GLOBAL COMPACT	SDG	REFERENCE
102-50	Reporting period for the information provided.	7.5.3. 7.6.2.			P. 42
102-51	Date of most recent previous report (if applicable).				P. 42
102-52	Reporting cycle (such as annual or biennial).				P. 42
102-53	Provide the contact point for questions regarding the Report or its content.				P. 42
102-54	The reporting organisation shall report the following information: a. The claim made by the organisation, if it has prepared a report in accordance with the GRI Standards. Either: i. This report was prepared in accordance with the GRI Standards: Core option; or ii. This report was prepared in accordance with the GRI Standards: Comprehensive option.				P. 42
102-55	The reporting organisation shall report the following information: a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the Report. b. For each disclosure, the content index shall include: i. The number of the disclosure (for disclosures covered by the GRI Standards). ii. The page number(s) or URL(s) where the information can be found, either within the Report or in other published materials. iii. If applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.				P. 57
102-56	The reporting organisation shall report the following information: a. A description of the organisation's policy and current practice with regard to seeking external assurance for the Report. b. If the Report has been externally assured: i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process. ii. The relationship between the organisation and the assurance provider. iii. Whether and how the highest governance body or Senior Executives are involved in seeking external assurance for the organisation's sustainability report.				P. 42
103 - Management Approach					
103-1	For each material topic, the reporting organisation shall report the following information: a. An explanation of why the topic is material. b. The boundary for the material topic, which includes a description of: i. Where the impacts occur. ii. The organisation's involvement with the impacts. For example, whether the organisation has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic boundary.	5.2. 6. 6.3.6. 7.3.1. - 7.3.4. 7.4.3. 7.7.3. 7.7.5.			P. 42-44
103-2	For each material topic, the reporting organisation shall report the following information: a. An explanation of how the organisation manages the topic. b. A statement of the purpose of Management's approach. c. A description of the following, if Management's approach includes that component: i. Policies. ii. Commitments. iii. Goals and targets. iv. Responsibilities. v. Resources. vi. Grievance mechanisms. vii. Specific actions such as processes, projects, programs and initiatives.				P. 8, 42-44 website
103-3	For each material topic, the reporting organisation shall report the following information: a. An explanation of how the organisation evaluates Management's approach, including: i. The mechanisms for evaluating the effectiveness of Management's approach. ii. The results of the evaluation of Management's approach. iii. Any related adjustments to Management's approach.				P. 42-44

GRI STANDARDS		ISO 26000	UN GLOBAL COMPACT	SDG	REFERENCE
TOPIC SPECIFIC STANDARDS					
200 - Economic Standards					
Economic Performance					
201-1	Direct economic value generated and distributed.	6.8.1 - 6.8.3. 6.8.7. 6.8.9.		SDG 5 SDG 7 SDG 8 SDG 9 SDG 13	P. 9, 14, 22, 47, 48
Market Presence					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage.	6.3.7. 6.3.10. 6.4.3. 6.4.4. 6.8.1 - 6.8.2.	Principle 6	SDG 5 SDG 8 SDG 10 SDG 16	P. 30
Indirect Economic Impact					
203-1	Report the following information: a. Extent of development of significant infrastructure investments and services supported. b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements.	6.3.9. 6.8.1 - 6.8.2. 6.8.5. 6.8.7. 6.8.9.		SDG 4 SDG 5 SDG 8 SDG 9	P. 16, 18, 21-27, 32, 33, 48, 49, 54, 56
Procurement Practices					
204-1	Proportion of spending on local suppliers.	6.4.3. 6.8.1 - 6.8.2. 6.8.7.			P. 17
Anti-corruption					
205-2	Communication and training about anti-corruption policies and procedures.	6.6.1 - 6.6.3. 6.6.6.	Principle 10 Principle 2		P. 11, 46
300 - Environmental Standards					
Energy					
302-1	Energy consumption within the organisation.		Principle 7 Principle 8 Principle 9	SDG 7 SDG 9 SDG 12 SDG 13 SDG 15	P. 38, 55
Emissions					
305-1	Direct greenhouse gas (GHG) emissions (Scope 1).	6.5.5.		SDG 12 SDG 13	P. 55
305-2	Energy indirect GHG emissions (Scope 2).				P. 55
305-3	Other indirect GHG emissions (Scope 3).				P. 55
305-4	GHG emissions intensity.				P. 38, 55, 56
305-5	Reduction of GHG emissions.				P. 55, 56
Effluents and Waste					
306-2	Total weight of waste by type and disposal method.	6.5.3.		SDG 12	P. 38, 54

GRI STANDARDS		ISO 26000	UN GLOBAL COMPACT	SDG	REFERENCE
400 - Social Standards					
Employment					
401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	6.4.3.	Principle 6	SDG 4 SDG 5 SDG 8 SDG 10 SDG 16	P. 52
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	6.4.4. 6.8.7.		SDG 8	P. 31
401-3	Report the following information: a. Total number of employees that were entitled to parental leave, by gender. b. Total number of employees that took parental leave, by gender. c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender. d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender. e. Return to work and retention rates of employees that took parental leave, by gender.	6.4.4.		SDG 4 SDG 5 SDG 8	P. 53
Training and Education					
404-1	Average hours of training that the organisation's employees have undertaken during the reporting period, by: i. Gender. ii. Employee category.	6.4.7.		SDG 4 SDG 5 SDG 8	P. 30, 49
404-2	Report the following information: a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	6.4.7. 6.8.5.		SDG 4 SDG 8	P. 49
Diversity and Equal Opportunity					
405-1	Report the following information: a. Percentage of individuals within the organisation's governance bodies in each of the following diversity categories: i. Gender. ii. Age group: under 30 years old, 30-50 years old, over 50 years old. iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender. ii. Age group: under 30 years old, 30-50 years old, over 50 years old. iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	6.2.3. 6.3.7. 6.3.10. 6.4.3.		SDG 4 SDG 5 SDG 10 SDG 16	P. 50-51
405-2	Ratio of basic salary and remuneration of women to men for each employee category, by significant locations of operation.	6.3.7. 6.3.10. 6.4.3. 6.4.4.		SDG 5 SDG 8 SDG 10 SDG 16	P. 30
Human Rights Assessment					
412-1	Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	6.3.5.	Principle 1 Principle 2 Principle 4 Principle 6	SDG 16	P. 11, 46
412-2	Report the following information: a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations. b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.				P. 46

GRI STANDARDS		ISO 26000	UN GLOBAL COMPACT	SDG	REFERENCE
Local Communities					
413-1	Report the percentage of operations with implemented local community engagement, impact assessments, and/or development programs.	6.8.1. 6.8.2. 6.8.3. 6.8.9.		SDG 4 SDG 8	P. 21-27, 41, 48
417-1	Whether each of the following types of information is required by the organisation's procedures for product and service information and labeling: i. The sourcing of components of the product or service. ii. Content, particularly with regard to substances that might produce an environmental or social impact. iii. Safe use of the product or service. iv. Disposal of the product and environmental or social impacts.		Principle 7 Principle 9		P. 45, 56
Socioeconomic Compliance					
419-1	Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.	4.6.		SDG 16	P. 11
SECTOR SPECIFIC INDICATORS					
Product Portfolio					
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.			SDG 4 SDG 5 SDG 8 SDG 9 SDG 11 SDG 13	P. 9,14-18, 21-26,47 48,56
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.			SDG 7 SDG 8 SDG 9 SDG 13 SDG 15	P. 9, 45
Local Communities					
G4-FS13	Access points in low-populated or economically disadvantaged areas by type.			SDG 8 SDG 16	P. 16
G4-FS14	Initiatives to improve access to financial services for disadvantaged people.			SDG 8 SDG 9 SDG 11 SDG 16	P. 15-18, 21, 22

** Principle 5: Child Labour, N/A.*

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To further protect the environment, we have opted exclusively for a soft version of our CSR Report.