

**Growing with Sustainability
Moving with Resilience**

**Sustainability
Report- 2021**



Shahjalal Islami Bank

L I M I T E D

Committed to Cordial Service

MESSAGES FROM THE HOLY QUR'AN

Who is it that has created the heavens and the earth, and sends down for you [life-giving] water from the skies? For it is by this means that we cause gardens of shining beauty to grow - [whereas] it is not in your power to cause [even one single of] its trees to grow! Could there be any divine power besides God? Nay, they [who think so] are people who swerve [from the path of reason]

Surah An-Naml, Verse-60

As sustenance apportioned to men; and by [all] this we bring dead land to life: [and] even so will be [man's] coming-forth from death.

Surah Qaf, Verse-11

It is He who sends down water from the skies; you drink thereof, and thereof [drink] the plants upon which you pasture your beasts;

Surah An-Nahl, Verse-10

[and] by virtue thereof He causes crops to grow for you, and olive trees, and date palms, and grapes, and all [other] kinds of fruit: in this, behold, there is a message indeed for people who think!

Surah An-Nahl, Verse-11



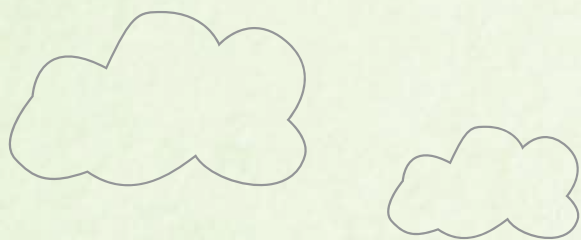
GROWING WITH SUSTAINABILITY MOVING WITH RESILIENCE

Striving for responsible business conduct based on sustainable banking principles, Shahjalal Islami Bank Limited considers the interests of all stakeholder groups covering economic, social, and environmental dimensions.

Manifested by rigorously thriving business, and resilience to rapidly changing business environment as well as unprecedented challenges, re-imagining sustainability is achieved through the dual mandate of business enhancement and social inclusion, thereby overcoming the crisis together.

The very first sustainability report of the Bank symbolizes how we have emerged strong from one of the most challenging economic crises in recent times due to our strong financial and operational foundations. Our ample levels of liquidity and strong balance sheet, continuous investment in people and digitalization as well as our well diversified investment portfolio and sound risk management help us to build a resilient sustainable future and put us in a position of strength even as we entered the crisis. Our competitive strengths will enable us to pursue new opportunities arising from digitalization, the deepening integration of public-private partnership (PPP) and the rising economy of Bangladesh which will make our sustainability journey smooth and lasting.





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ABOUT SHAHJALAL ISLAMI BANK LTD.

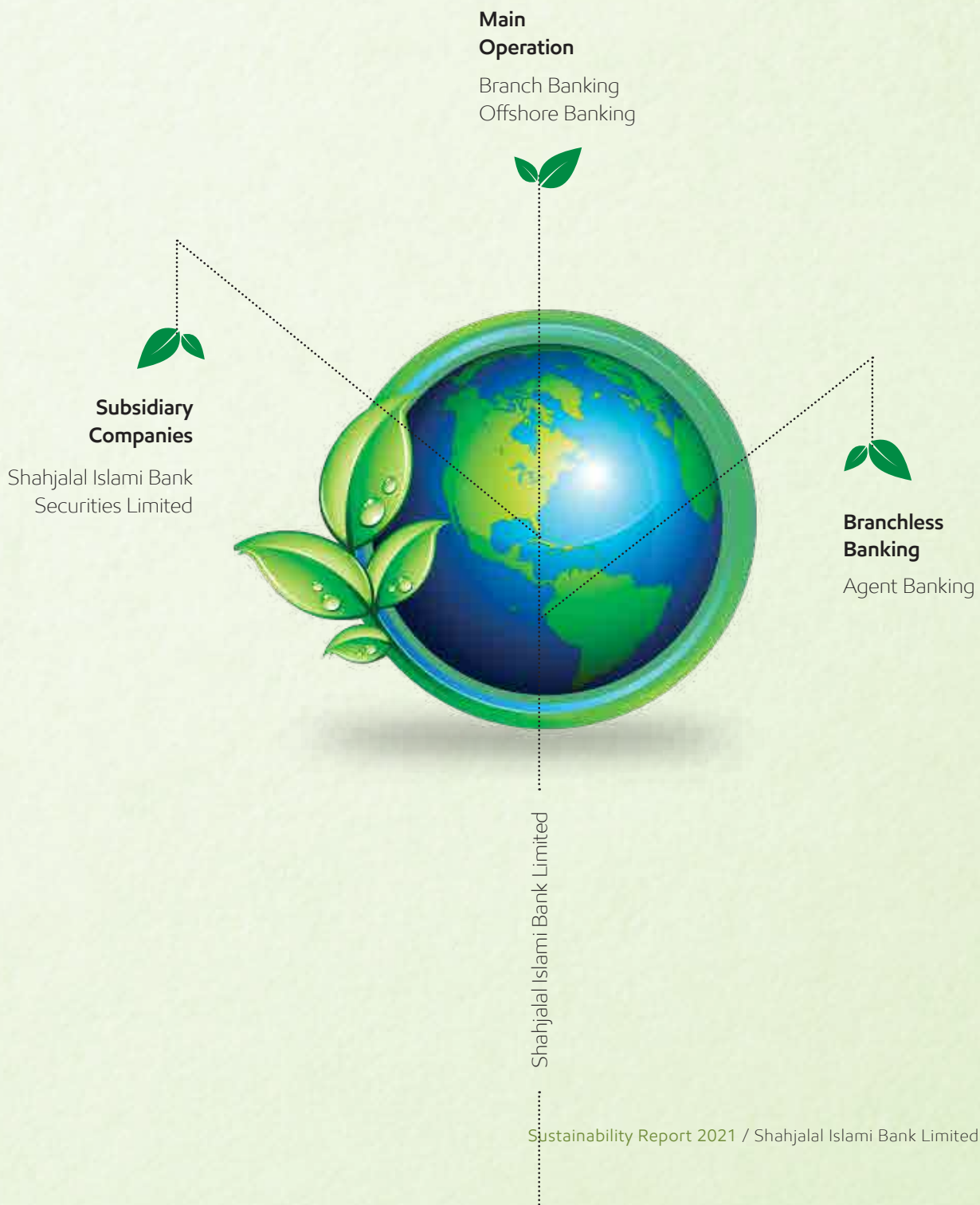
GENERAL INFORMATION

GRI 102-1, 102-3, 102-4, 102-5, 102-7, 102-8

Name of the Company	: Shahjalal Islami Bank Limited
Ownership and Legal Form	: A public limited company incorporated in Bangladesh on 1st April 2001 under the companies Act 1994 and listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.
Commencement of Business	: 10 th May 2001
Registered Office	: Shahjalal Islami Bank Tower Plot No.-04, Block- CWN(C), Gulshan Avenue, Dhaka-1212
Telephone No.	: 88-02-9845457 (Hunting)
Fax No.	: 88-02-9847607
Website	: www.sjiblbld.com
SWIFT	: SJBLBDDH
E-mail	: sjiblho@sjiblbld.com
Chairman	: Mr. Mohammed Younus
Managing Director	: Mr. M Shahidul Islam
Auditors	: M/s. ACNABIN, Chartered Accountants BDBL Bhaban (Level- 13 & 14) 12 Kawran Bazar Commercial Area, Dhaka-1215 Phone: +880 2-41020030-35
Tax Advisor	: M/s. K.M Hasan & Co., Chartered Accountants 87, New Eskaton Road, Dhaka. Phone: +88-02-9351457, 9351564
Credit Rating Agency	: Emerging Credit Rating Ltd. SHAMS Rangs, 104 Park Road, Level- A1 & A2, Baridhara, Dhaka-1212 Phone :+ 880 2 986 0911, + 880 2 986 0897
No. of Branches	: 132
No. of ATM Booth	: 119
Subsidiary Company	: Shahjalal Islami Bank Securities Limited Jiban Bima Bhaban (4th Floor), 10 Dilkusha C/A, Dhaka 1000
Offshore banking Unit	: 1
No. of Employees	: 2,741
Authorized Capital	: Tk. 15,000 million
Paid up Capital	: Tk. 10,291 million



CORPORATE STRUCTURE





GRI 102-3, 102-4

LOCATION OF THE HEADQUARTER

Phone: 02-222264736 (Hunting Number)

Fax: + 02-222297607

Email: sjibldho@sjibld.com

Address: Corporate Head Office

Shahjalal Islami Bank Tower

Plot-4, Block- CWN(C)

Gulshan Avenue, Dhaka-1212

Bangladesh



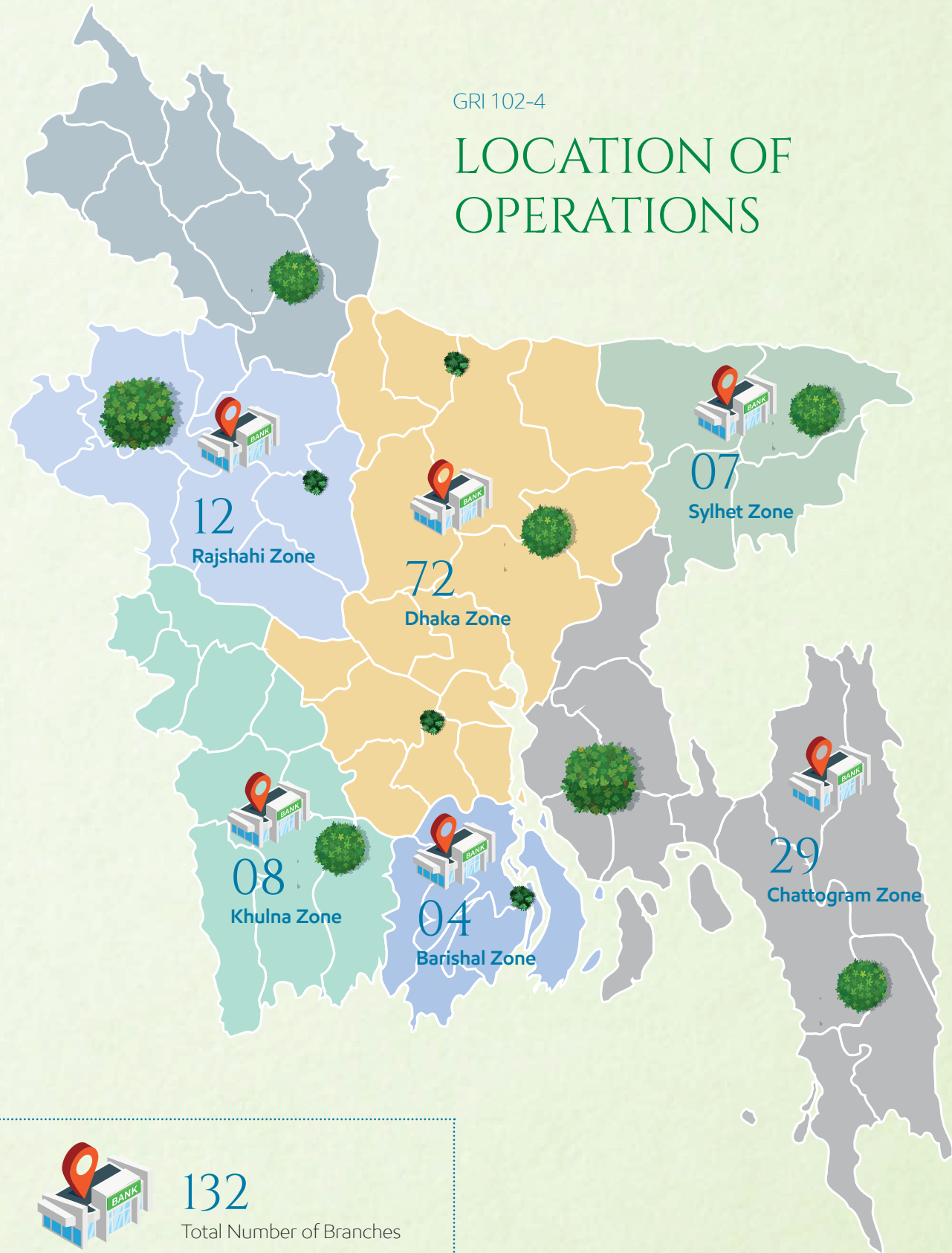
Shahjalal Islami Bank head office is a LEED Certified Green Building with Rooftop gardening, having smooth liquid and solid waste management system, preservation and usage of the rain water and with solar power system.





GRI 102-4

LOCATION OF OPERATIONS





VISION

Where we want to be...

Most admirable brand of Shariah based banking and investment in Bangladesh by ensuring sustainable value for all of our stakeholders which is embodied with human development based on morality and ethics.



MOTTO

Ethical bondage to aim...

Cordial Service and Welfare Banking



MISSION

What we want to achieve...

- Uncompromised quality service and customer care
- Setting high standards of integrity
- Inclusive and innovative banking
- Sustainable value for all stakeholders
- Continuous development of professionals and system up gradation to face the challenges and drive for excellence
- System Automation and digitization adopting the state-of-art technology with full proof security to ensure fast and accurate customer service
- Human Resources Development based on morality and ethics



CORE VALUES



UNIQUE BANK

Our Banking products are the benchmark

Our commitment is to contribute in building and expanding Islamic banking industry



DYNAMIC

Progressive and Innovative

We are constantly moving ahead as we offer new and technologically advanced products and services



PROFESSIONAL

Fast, Efficient, and Responsive Service

Our constant strive is to equip the team of professionals to face the challenges and drive for excellence



CARING

Approachable and Supportive Partner

We are always attentive to customers' needs & satisfactions



TRUSTWORTHY

Dependable and Reliable

We believe in both way communications and always care and share the views and knowledge with all stakeholders



STRATEGIC OBJECTIVES

Our strategy is to perform towards sustainable growth achievement



Strategic intent

To be the unique shariah based Bank in Bangladesh

A very caring bank to:

facilitate trade across the
markets

enable customers of all
walks of life to conduct
business transactions
happily

provide easy solution
of complex business
situation

capture the unbanked
population of the country

strengthen responsible
lending and financing

conduct ESDD in the
respective business areas

Focus
on SDGs



Brand promises

DYNAMIC; PROFESSIONAL; CARING AND TRUSTWORTHY

Our commitment to three core pillars:

people – we believe in long-last
relationships and possess great
value for the customers and people
around us

progress – the way
we conduct ourselves

prosperity – our passion for
sustainable value addition to our all
stakeholders capture the unbanked
population of the country





STRATEGIC PILLARS

Our presence

We have the modest presence across the country and want to have an unequivocal focus all over the country with deep local relationships. We are trying to expand our horizon and service network by opening more branches, especially in unbanked areas of the country.

Strict Observance of Shariah

We believe and are committed to provide banking service that is purely based on Shariah.

Improvement of Deposit Mix & reduction of Cost of Deposit

To be the competitive in the Market, bank always given emphasis on procurement of Low cost & No cost deposit

Diversified deposit and investment product:

For long term sustainability, Shahjalal Islami Bank Limited mobilizes sticky deposit from the market, and to avoid large corporate deposit. We will diversify our Investment portfolio to CMSME & Consumer finance to reduce concentration on Corporate Investment.

Strengthen recovery & Monitoring Department

The prime objectives of the bank are to maintain quality asset portfolio, recovery of Non Performing Invest (NPI), arrest compensation and also recovery of written off Investment. Our Special Asset Management Department (SAMD) and Investment Monitoring Department take all out efforts to prevent the deterioration quality asset.

Development of Human Capital

Continuous development of human resource is prime objectives of the bank. Maintain reward and recognition on the basis of performance.



Promoting Financial Inclusion

To penetrate in the untapped market Shahjalal Islami Bank Limited increases countrywide Agent Banking operation

Client relationship rather than a product driven approach

We focus our capabilities around customers' needs, rather than seeking a rapid return on products or building product silos.

Distinctive culture and values

Our unique culture and values are the source of significant advantage.

Conservative and disciplined on risk, capital and liquidity

We regard balance sheet quality as a cornerstone of our business model & strategy. We are more cautious about capital adequacy, liquidity & risk mitigation rather than running after profit only.

Organic growth, the primary driver of our strategy and value creation

We believe that organic growth drives the greatest value creation for our shareholders. Where we cannot grow organically, or cannot do so within a reasonable time frame, we will explore acquisitions that will reinforce our core strategy.

Our delivery

We are committed to Cordial Service and with this commitment we constantly try to pull on sustainable business practices, upholding high standards of corporate governance, social responsibility, environmental protection, and human resource development.

AWARDS & ACCOLADES

SAFA Second Runner Up for
Overall Category



SAFA First Runner Up
position for Best Presented
Annual Report



ICAB Best Presented
Annual Report
(First position)



ISO/IEC 27001:2013 Certification

SAFA Joint First Runner
Up position in SAARC
Anniversary Award for
Corporate Governance
Discloser



ICAB Corporate
Governance Discloser
(Second position)



8th ICSB National
Award for Corporate
Governance Excellence
2020 (Gold Award)



ICMA Best Corporate
Award 2020
(Bronze Award)



Mohammed Younus
Chairman



GRI 102-14

FOREWORD BY THE CHAIRMAN



We have always viewed sustainability as entailing responsible corporate activity aimed at a long-term, economically positive result in consideration of key societal and environmental aspects. This understanding is deeply rooted in the core value and principles of our banking operation.

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum Wa Rahmatullah Wa Barakatuhu.

We are pleased to present our first standalone Sustainability Report- 2021 which sets out our accomplishments and efforts in 2021 to support all segments of the society during these turbulent times.

We have always viewed sustainability as entailing responsible corporate activity aimed at a long-term, economically positive result in consideration of key societal and environmental aspects. This understanding is deeply rooted in the core value and principles of our banking operation. Shahjalal Islami Bank Limited always considers itself as a reliable partner of its customers on their path to be a more climate-friendly bank with a view to building a sustainable future. As a Chairman of the Board of Directors, I am personally committed to ensuring that our bank remains focused on pursuing this approach so that we can create a significant contribution to our customers' successful transformation, and hence optimally support the transformation of our society as a whole.

At Shahjalal Islami Bank Limited, we have mobilized our resources and networks to make responsible lending in a concrete way to build a resilient sustainable business world for us. We have leveraged on every opportunity

to attach with our internal and external stakeholders, tried to understand their need, hope, aspiration, and desired services they seek and returned that by providing priority solutions and fulfilling the thirst of the customers. For the over 20 years, Shahjalal Islami Bank Limited has strived to play a larger role in creating a more open, resilient and sustainable economy, one that can not only meet the developmental aspirations of our country but help move the country on a pathway of equitable and sustainable growth.

From the start of the outbreak, our commitment to contributing to the progress of our millions of stakeholders has remained unwavering and we have continued to remain 'Open' towards meeting the expectations of our stakeholders in our hour of collective crisis. Shahjalal Islami Bank Limited continues to stand together with the nation against the pandemic and has been actively delivering on a multi-pronged response that supports its customers, employees, business partners, government agencies and the community at large.

This sustainability report demonstrates our efforts to integrate sustainability and environmental, social, and governance considerations at the core of our operations. In line with this, we have developed our own Sustainable Finance Policy aligned with the same of Bangladesh Bank which shows a complete guidelines



briefing important elements of our strategy include how we can enhance consideration of sustainability criteria in our financing activities, continue to support local communities, and take initiatives that reduce our environmental impact. When developing our materiality issues and sustainability strategy, the Bank considers major global and national trends that affect our business and the society in which we operate such as addressing climate change by implementing tree plantation program across the country as well as focusing on social forestation.

Aside from the monitoring and refinement of our sustainability vision and strategies, we have reviewed possible changes in relevant rules, regulations and standards in order to proactively prepare for a new landscape under enhanced conditions and standards related to sustainability at both the national and international level.

Our sustainability commitments are grounded in the belief that technology can help solve some of the most pressing challenges we face. In recent years, Shahjalal Islami Bank Limited has also aligned its products, services and community development initiatives with the Government's vision for a Digital Bangladesh. As part of this, we have focused on digitalizing our deposit and investment products and services – to widen customer access, increase resource efficiency, minimize waste, and deliver better service. The Bank has been continuously investing in digital technologies to gauge customer needs, enhance customer satisfaction and optimize operational efficiency at its level best. These digital interventions have proved to be instrumental during the pandemic, ensuring seamless service delivery and significantly reducing risk for employees and customers as well. The Bank launched the Mobile Banking Apps namely Shahjalal Islami Bank Limited-Net that is more user- friendly for all customer groups, with new features and the ability to rapidly add further features in the future. We also introduced QR Code Scanner for facilitating withdrawal facility in the most comfortable way. At the same time, the Bank has introduced many diversified digital banking products and services that support financial inclusion by providing enhanced access to the differentiated financial services that the bank offers.

In terms of our medium and long-term goals, the Bank places high importance on environmental issues and has established a dedicated working group on

environmental and energy conservation to drive actions on the environment as per our national goals. Apart from this, we continue to initiate environmental and energy projects to motivate our employees to be aware of and take action to combat global warming and apply this knowledge to their everyday lives. The Bank will continue to support financing in the environment friendly projects and has established environmental and social risks among the criteria in the investment consideration and approval process.

Financial literacy, financial inclusion and providing responsible financial services- the three key areas on which the Bank is remaining committed and aligned with the future direction of the business. From our point of view, these three factors underpin the sustainable business growth of the Bank and align with international trends. The Bank supports collaboration with external organizations including the public and private sectors, civil society, non-profit organizations, educational institutions for ensuring the three key areas profoundly.

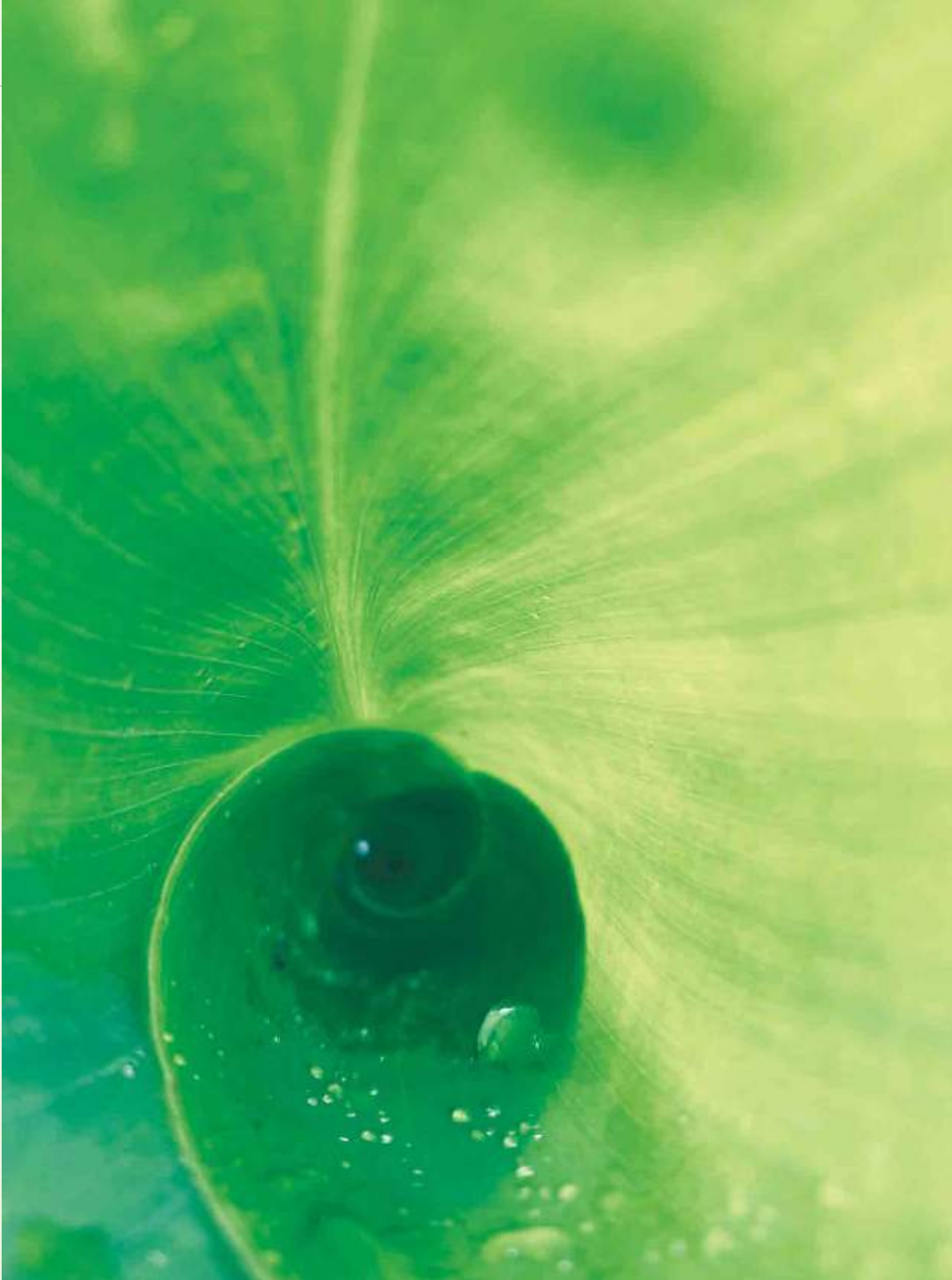
We are proud of the development of our vision, policies, goals and sustainability measures presented in this Sustainability Report- 2021, resulting from our initiatives, collaborations and stakeholders' expectations and understanding of our approach on sustainability. And we are very much hopeful with the continuous progress on sustainability which is in line with well accepted Sustainable Finance Policy adopted and followed by the Sustainable Finance Unit of the Bank.

I take this opportunity to thank our Board of Directors, stakeholders including our employees, customers, shareholders, and other related stakeholders for their trust and support during this journey of change and resilience towards sustainability movements and being supportive to drive a better future for all.

May Almighty Allah (SWT) bestow His unbound favors upon all of us.

Allah Hafez
With warmest regards,

Mohammed Younus
Chairman





M Shahidul Islam

Managing Director and CEO



FROM THE DESK OF MANAGING DIRECTOR & CEO



We believe that sustainability has enabled us to turn the challenges of the business environment into opportunities. As an institution, we have become more resilient, and better able to weather the business cycle and off-cycle crisis. Our business model has evolved over time in line with our sustainability principles and best practices.

Bismillahir Rahmanir Rahim

We are immensely pleased and proud to publish sustainability report for the very first time which has been prepared in accordance with Global Reporting Initiatives (GRI) Standard: Core Option and reflects that we continued to see solid growth across our business. Moving forward, we will thrive to leverage technological advancements, collaborative engagements and keep an innovation-driven mindset for the sustainable advancement of our business because Shahjalal Islami Bank Limited has always viewed sustainability as entailing responsible corporate activity aimed at a long-term, economically positive result in consideration of key societal and environmental aspects.

In 2021, Shahjalal Islami Bank Limited demonstrated both resiliency and adaptability in reimagining our sustainability commitments and accountability amidst the pandemic. Our important role of supporting customers and communities became even more apparent through the course of the past and present operation. Our commitment remains as the nation faces further disruption, with an ambition to transition out of the pandemic. This underlines the importance of our longstanding purpose- feeding into prosperity, not off it. Increasingly, stakeholders have come to value the holistic performance of business across important environmental, social and governance

(ESG) topics. We too have made changes to show our commitment to change and taking action in this space. That's why this year, we are proud to introduce our first Sustainability Report bearing the theme of "Growing with Sustainability; Moving with Resilience". This report will draw a clear picture on providing a greater level of transparency, measurement, and accountability to our stakeholders.

Over the past year, we continued to strive to act with care and compassion, with our customers and communities top of mind. Through our transformation work, we have been able to offer customers improved capability and experience as well as enhanced productivity, efficiency, and speed to market. As a result, we have grown market share, customer numbers and total lending and deposits. Our underlying business, sound balance sheet, brand proposition, provisioning, risk profile and transformation have made our business stronger for the future. Our leading corporation reputation provides consistent encouragement that we are on the right track, but we know we have more to do. That's why sustainability has been our watchword for nearly a decade as it's ingrained into our vision as a bank. Over time, we have turned our sustainability targets into actions and positive impacts.

We believe that sustainability has enabled us to turn the challenges of the business environment into



opportunities. As an institution, we have become more resilient, and better able to weather the business cycle and off-cycle crisis, like the COVID-19 Pandemic. Our business model has evolved over time in line with our sustainability principles and best practices. Further we continue to be motivated by the principles of Shariah, whereby we endeavor to design and deliver financial solutions that minimize harm and promote the welfare and well-being of not just communities, but also the environment where they thrive.

The unforeseen social impact of the pandemic inspired us to innovate in order to protect our employees whilst providing optimal value for our clients. Through our business continuity plan, we were able to navigate the downturns of the pandemic. We have come out of it stronger, more dynamic, and armed with vital lessons to improve our business operations and become more crisis ready. As evidence of our resilience, Shahjalal Islami Bank Limited increased the number of its individual and corporate clients by 17% and grew its gross earnings by 21% in the year 2021. One of the ways we achieved this was through our deposit campaign namely "Dream it, Achieve it". With Small and Medium Enterprises (SME) expected to be a growth driver for the country over the medium term notwithstanding the near-term effects of COVID-19, we continue to focus on ensuring our strong presence in this segment by disbursing BDT 79,710.00 million to different SME clients showing a significant growth of 69% compared to last year's disbursement which was BDT 47,040.00 million. The year's challenge was an opportunity for us to remodel our business. We resolved that our response, rather than the crisis, should have a long-term effect. Our sustainability journey has continued through periods of boom and bust in the global economy and external shocks in the domestic economy and we have always emerged stronger.

Since the outbreak of global pandemic and "Countrywide Lockdown", the digital business and innovation around the product offerings has assumed centre stage. We have taken the lead in launching various digital initiatives to remain agile, responsive and competitive in providing ease of operations to its customers without moving out of their homes. The introduction of mobile banking apps and e-challan, e-kyc, QR Code scanner provides an alternate to physical banking. The opening of a bank account, placing of deposits and conducting operations through internet banking has become simplified in a big way. Besides, bank is gearing up to move internal efficiency parameters on digital offerings through revamped business models using digitalization as a backbone.

We are hopeful that our client will witness further new innovations to cater to the rapid changes taking place to address to the "New Normal" behavioral pattern emerging from post COVID-19.

We are passionate about serving our diverse customer base and consider diversity to be a competitive advantage when it comes to creating great customer experiences because Shahjalal Islami Bank Limited believes in a slogan "Together we lead the way, enabling dreams and everyday aspirations for a greater good" which always leads it to provide cordial services in the most sustainable manner. For a very good reason, the slogan starts with "Together" and ends with "For a greater good" and it crystallizes our sustainability-focused mindset- we are in this together with our customers, suppliers, industry peers, and society as a whole. On the social front, to alleviate the hardships experienced by business and households as well as the society at large from the Post COVID-19 pandemic, key assistance measures in 2021 included strengthening financing under stimulus package, facilitating finance at the easiest terms and conditions, arranging rehabilitation actions for the SME entrepreneurs, and lowering lending rate.

While remaining committed to our corporate social responsibility initiatives as we battle the health crisis, in our reimagined way of response, Shahjalal Islami Bank Limited conducted agile CSR activity nationwide. The Shahjalal Islami Bank Limited Foundation as well as Sustainable Finance Unit of the Bank were formed with the aim of strengthening the CSR program and streamlining the activities of sustainable finance in a more systematic, structured, and sustainable manner. Since its inception, the Bank has been contributing to the development of our economic aspects through dedicated investment, sponsorship, and volunteer programs through our Corporate Social Responsibility (CSR) drives. In 2021, BDT 232.93 million was spent on CSR activities and this year's initiatives provided continuous support to the community through human, educational, environmental, and climate change mitigation and adaptation, and other areas like sports and culture, disaster management, women's empowerment, income-generating activities, and blanket distribution in line with Shahjalal Islami Bank Limited's vision, as well as proactively protecting, helping, and supporting our local community during the pandemic. We look forward to continuing our support of the community through activities that are consistent with our strategy and adopting purposeful programs that add value in the fields of education, health, environmental preservation, and other activities consistent with our vision. Shahjalal Islami Bank Ltd. has



awarded scholarship to 500 meritorious students in 2021 under regular program who have passed SSC or HSC with GPA-5 but not economically able to continue further studies. In 2021, Shahjalal Islami Bank Limited has enhanced CSR Activities by giving more focus to the health sector in view of addressing the COVID-19 pandemic, while environmental preservation and other activities have been under consideration.

In 2021, we took things a step further. Today, our business strategy and sustainability strategy are in the process of merging into one comprehensive framework that governs the way we work, the way we approach our operational goals, and the way we cater to our community and the environment and our first Sustainability Report of the Bank will tell you the story about how our services are continuing to reach new clients through a new model of value creation that is more equitable and sustainable.

We look forward with confidence to forging a brighter future and delivering enduring value to all our stakeholders. Together with our unwavering commitment to responsible financing and sustainability, our strong balance sheet, disciplined approach to risk, diversified financing to environment friendly initiatives, depth of talent and investments in technology provide us with a set of competitive strengths to pursue new growth opportunities. In the end, on behalf of the senior management team, I most humbly submit to the greatness of almighty Allah, soliciting His mercy to pave the journey towards sustainability and report it in our very first sustainability report.

M Shahidul Islam

Managing Director & CEO



Abdul Aziz

AMD & CBO

Head of the Sustainable Finance Committee (SFC)



GRI 102-14, GRI 102-15

FROM THE DESK OF THE CHAIRMAN OF THE SUSTAINABLE FINANCE COMMITTEE (SFC)



At Shahjalal Islami Bank Limited, we aspire our aspiration is to build a high-performing, sustainable organization to help advance customers and society. Towards fulfilling this purpose, we embrace principles of good governance, responsible banking, and values-based intermediation. We also take an inclusive approach to planning and delivering our growth strategies.

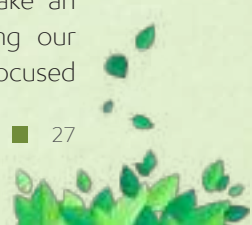
We are pleased to publish the Sustainability Report of our Bank for the first time. As the chairman of the Sustainable Finance Committee of the Bank, I would like to express my heartiest gratitude to all of our stakeholders for their belief in our motto, which is grounded on our sustainability agenda to create a healthy planet. We strongly believe that sustainability is the future, and we have embraced this timely concept to address environmental and social challenges because it is clear to us that both environmental and social challenges are tightly intertwined in a knot that can only be united by developing both environmental and social domains, instead of focusing on one to the exclusion of the other.

Since its inception in 2001, Shahjalal Islami Bank Limited has witnessed extensive shifts in the macroeconomic landscape, and the Bank has thrived despite evolving customer needs, regulatory changes, much more. Transforming with the times has helped the Bank endure over the changes, earning the patronage and trust of crores of customers- this led us to move our journey to sustainability. Even in the

unprecedented trying times arising out of COVID-19 and the lockdowns needed to contain the virus' spread, Shahjalal Islami Bank Limited's focus remained on ensuring uninterrupted services without sacrificing health and safety. This translated into increased harmony and cohesion within the Bank to serve customers, communities, and other stakeholders. I take pleasure in presenting this report in front of our stakeholders themed "Growing with Sustainability; Moving with Resilience," which showcases efforts undertaken in 2021 to usher in a sustainable, inclusive and prosperous future.

Driving for Sustainability

At Shahjalal Islami Bank Limited, we aspire our aspiration is to build a high-performing, sustainable organization to help advance customers and society. Towards fulfilling this purpose, we embrace principles of good governance, responsible banking, and values-based intermediation. We also take an inclusive approach to planning and delivering our growth strategies. Our efforts are always focused





on going beyond meeting immediate expectations of stakeholders, to deliver shared value, which is all about helping them to shape a better tomorrow. Therefore, advancing sustainability is central to our own strategy which is built on the meaningful past efforts that we reinforced and integrated in our operations and businesses, partnered with our customers to manage the transition on climate change and promoted environmental sustainability. Shahjalal Islami Bank Limited takes into consideration that sustainability and related socioeconomic areas are a collective responsibility, so Shahjalal Islami Bank Limited has always strived to align its business actions with the environmental and societal requirements. The Bank is funding and prioritizing sectors like Green and Sustainable agriculture, Green and Sustainable CMSME, Liquid Waste Management, Solid waste Management, Energy and Resource Efficiency, Socially Responsible financing (SRF) and others Green and Sustainable areas in order to promote sustainability. We are also leveraging domain expertise to foster financial inclusion and literacy, through its outreach, products, and services. Special consideration is given to designing and tailor offerings in order to drive progress on SDGs concerning gender equality, generating livelihood directed at poverty reduction, and fostering economic growth, among others. Reducing the environmental impact of the Bank's operations has also been a priority, in line with its commitment to becoming greener and more sustainable. This is combined with Shahjalal Islami Bank Limited's initiatives in other areas including education, skill development, healthcare, sanitation, rural development, and women's empowerment, to drive sustainability in a holistic manner.

Accelerating Our Digital Transformation

In a rapidly evolving digital age, we need to be responsive and agile in the face of digital innovation and disruption. The operating environment is also rapidly advancing toward a knowledge-driven and highly-connected society led by digital innovations and applications. Post Covid-19, we expect that there will be a reinvention of business operations, ecosystems and engagement models towards digital platforms driven by real-time transactions and powered by Internet and Mobile Banking. At the same time, the liberalisation of the Banking sector and the emergence of new financial service providers, the whole financial system has been reshaped and in response, we have been steadily transforming through upskilling our employees, intensifying our digital offerings and delivering industry-leading experiences to assist our customers in planning and achieving their financial goals. We have been providing digital banking services such as

internet banking, SMS banking, mobile banking to our clients. As digitalisation intensifies in our operations, we remain highly cognisant of the risks surrounding cyber security. Accompanying the accelerated pace of digital adoption and its pervasive presence in all economic and social activities, the associated cyber security risks have increased manifold. The safeguarding of customers' privacy, data and investments in a secure digital environment is of utmost importance to us and we are committed to ensuring the privacy of our clients by ensuring, implementing and installing digital devices in our operational activities. To us, cyber security is the cornerstone of our operational risk management framework and we will continuously buttress our cyber security defences and place responsible guidelines to strengthen our security road-map in managing risks in data, IT systems and cyber security across the business operation.

Our Culture and Conduct as Anchors

Shahjalal Islami Bank Limited's solid reputation as a trusted shariah based Islamic Bank over the past many decades is anchored on our core values of doing well and doing good. By acting with integrity, we safeguard the trust placed with us and defend stakeholder value. We promise to deliver on our Bank's slogan "Committed to Cordial Service" – our pledge to customers that we will listen to them, truly understand them, and come up with the most appropriate solutions to meet their needs. The Board of Directors (BoD) and management have a clear focus that our values rest on the following foundations: high ethical standards and fair dealing, responsible financing, strong financial position, disciplined risk management, environmental stewardship, employee welfare and well-being, community development, and skilled human capital.

Focusing on SDGs

Shahjalal Islami Bank Limited has been contributing to Sustainable Development Goals (SDGs) by promoting economic growth, employment generation, gender equality, climate action, financial inclusion, and financial literacy through its wide range of products and services. Bank's role in financial inclusion has been observed as pivotal. Shahjalal Islami Bank Limited has been pursuing financial literacy counselling targeted at farmers, SMEs, school children across the country. Similarly, the Bank has been acting as social change agent, empowering rural youths in achieving sustainable livelihood through offering and managing job, skill development, and training, helping new entrepreneurs to establish their own micro-enterprises, thereby adding rural employment and



wealth creation. The Bank has been working to map its products to the SDGs in order to better explore the intervention possibilities for sustainable banking. Likewise, to build up the momentum for being resilient and sustainable, the Bank has been strengthening its financing in Green and Sustainable products.

Future Outlook

Due to the challenges brought up by the pandemic, the business operating model and customer preferences and behaviour will undergo changes. What will be critical is our ability to learn and transform this into accomplishment - build capabilities, adaptability, and resiliency in our strategies and operations. In order to do so, all of us will have to be agile in our plans, processes, infrastructure, systems and data management while maintaining our focus on the Customer Experience.

Being a custodian of people's wealth, Shahjalal Islami Bank Limited has a profound responsibility to create long-term value for all its stakeholders. Through this report, it aims at providing a clear picture of how Shahjalal Islami Bank Limited is incorporating sustainability and responsible business practices in its operations. I welcome your feedback on how the Bank can continue to play a vital role in the journey towards a sustainable movement.

Abdul Aziz

AMD & CBO

Chairman of the Sustainable Finance Committee (SFC)



Mohammed Ashfaul Hoque, FCA, FCS
SEVP & Head of the Sustainable Finance Unit



GRI 102-14, GRI 102-15

FROM THE DESK OF THE HEAD OF SUSTAINABLE FINANCE UNIT (SFU)



We act as a catalyst to reshape social and economic developments that are more broad-based, inclusive, and sustainable. At the same time, we will continually invest in our people, and engage and contribute to our communities. All these initiatives are aligned to the United Nations Sustainable Development Goals (SDGs) which will guide us to positively contribute toward building a more sustainable future.

Shahjalal Islami Bank Limited is delighted to present its first Sustainability Report showcasing the Bank's performance across economic, social, governance and environmental spheres in 2021 which has been prepared in accordance with "Global Reporting Initiatives (GRI) Standard: Core Option". Recognising early the fact that sustainability is a journey that requires internal collaboration on a continual basis, the Bank has formed Sustainable Finance Unit (SFU) and Sustainable Finance Committee (SFC) to set goals, lead and coordinate different Corporate Social Responsibility and other sustainability-related activities to further foster, enhance and strengthen our sustainability movements.

To build resilience and continue to provide long-term value to our stakeholders, we have made considerable efforts to expand our sustainability initiatives, we strive towards inclusive growth, ensuring that we provide economic empowerment to our customers and communities while managing the climate and social impact of our operations- the very first ever sustainability report of the Bank will point to this

story of being resilient throughout our journey. Amidst the adverse operating environment, Shahjalal Islami Bank Limited managed to thrive with strong financial performance and achieve significant progress corresponding to the strategic thrusts and initiatives laid in our business plan- a clear picture of this has been depicted in this report.

This sustainability report, entitled with 'Growing with Sustainability, Moving with Resilience', comprehensively captures Shahjalal Islami Bank Limited's vision of contributing to a sustainably growing economy and practicing responsible finance. As one of the leading shariah based banks, Shahjalal Islami Bank Limited is committed to supporting responsible economic growth and facilitating the transition to a low-carbon economy. Through this report, the Bank demonstrates its continuous endeavour to create long-lasting value for its stakeholders and its performance across environmental, social, and governance aspects. The report details the Bank's approach to sustainability and includes information pertinent to strategy, targets, and performance.



Escalating Sustainable Performance

Creating sustainable value for the investors remains one of the prime goals of the business. This helps us to foster constructive and coherent dialogue to transmit shareholders' concerns into feasible business actions in a sustainable manner. Fostering sustainable performance is one of the driving forces that has allowed Shahjalal Islami Bank Limited to remain triumphant through the years. In 2021, the bank succeeded in trimming down the high-cost deposit base, thereby consolidating the deposit mix in a beneficially preferred way. The total deposit of the Bank as of December 31, 2021, stood at Tk. 217,289 million, while the total amount of its investment stood at Tk. 216,587 million. During the year, import volumes stood at Tk. 248,934 million, and the export business was Tk. 191,899 million. Foreign remittance in the amount of Tk. 11,888 million was received in the year. Shahjalal Islami Bank Limited earned an operating profit before tax of Tk. 4,837 million, while its net profit after tax was Tk. 2,585 million, representing a 35.48% increase over the previous year. Net Asset Value (NAV) stood at Tk. 19,803 million in 2021, whereas it was Tk. 17,949 million in 2020. In 2021, our Earnings Per Share (EPS) stood at Tk. 2.51, whereas it was Tk. 1.85 during the previous year.

Responsible Lending and Financing

As a shariah based bank, our most considerable leverage with regards to sustainability comes from financing projects and businesses whose goal is to deliver sustainable outcomes for the environment, society, and the economy. We are exploring methodologies and processes to integrate ESG criteria into our assessments to guide our financing decisions in responsible investments that create meaningful value. We apply a Shariah review process with a high level of scrutiny to all potential transactions to ensure that these are in line with our values as an Islamic Bank by applying our prudence and screening criteria. Apart from this, ESG criteria help assess non-financial risks and opportunities of investments and are integral to responsible investment decisions that contribute to preserving and delivering long-term growth, providing of a better quality of life for all, and safeguarding the planet and its resources.

In 2020, total disbursement in Sustainable Finance which consists of Green Finance and Sustainable Linked Finance was BDT. 9,828.61 million which is increased to BDT. 16,910.76 million in 2021 and Shahjalal Islami Bank Limited met an experience of the growth of 72% in Sustainable Finance. The Bank conducted 233 number of ESDD under Environmental & Social Risk Management, disbursed the same number and the

amount stood at Tk. 23,045.49 million in 2021. We are strengthening our effort to invest more in the arena of green finance and sustainable linked finance.

Financial Inclusion

Financial Inclusion is key to driving inclusive development. And the banking sector has a pivotal role in accelerating economic formalization among the under-banked population. Holding this belief, Shahjalal Islami Bank Limited has developed strategies to promote financial inclusion and financial literacy, apart from adding more products and services, especially those offered through digital channels, and providing financial literacy to customers. Shahjalal Islami Bank Limited has worked tirelessly to provide formal banking services to the poor and underprivileged segments of society through low-cost digital financial services. 119 ATM Booths, 100 Agent Banking Outlets, 33,700 plus accountholders under No-Frill Accounts (NFAs) consisting of farmers, ready-made garment workers, workers in small footwear and leather product industries, physically challenged people, street urchins, and working children. Moreover, the Bank continues to monitor and evaluate the performance of these activities in order to gain insights that can be used to develop and improve products and services as well as the content and format of financial literacy training, to better suit the needs of different groups. We also acknowledge that our financial inclusion journey must be in tandem with our journey to promote financial literacy in line with our value creation model.

Heading toward a Greener Future

Our financing activities are key enablers that impact sustainable development. As we are engaged with all segments of business and society, we play a significant role in promoting sustainability. We can make a big difference in building a more secure future by providing financial solutions that support our customers' sustainability journey, including the pursuit of climate change and green business opportunities. We are committed to increasing the financing of green assets and projects, including renewable energy, solid and liquid waste management, green buildings, and energy efficient capital machineries. Our Head Office having furnished with rainwater harvesting system, water-recycling, auto sensor power switch, and hand drier machines, saves 35% of energy and water.

Community betterment

Shahjalal Islami Bank Limited operates within an innovative sustainability strategy which leverages investment in natural, social & relationship capital, and



human capital equally in response to rapidly changing social and environmental backdrops. CSR mission of the Bank is to emerge as a commitment of growth and development that benefits, not only the Bank and its customers but also, the natural environment and the community at large. Shahjalal Islami Bank Limited is not only profit-oriented but also believes in the 3P philosophy i.e., "People, Planet and Profit". Shahjalal Islami Bank Limited has been expanding a substantial amount each year to carry out CSR activities in different sectors like education, health care, sports and culture, disaster management, environment, women empowerment, human resources development, income generating activities, Socially Responsible Financing as well as Financial Inclusion. In 2021, the Bank spent Tk. 232.93 million in numerous areas identified by Bangladesh Bank by maintaining the threshold determined by the central bank. In response to the COVID-19 challenges, we took action at various levels to help our community by providing masks, sanitizer, and food items to the jobless and helpless people in severely and deeply COVID-infected areas of Bangladesh. And we look forward to continuing our effort for the welfare of our community through initiatives that are consistent with our strategy and to adopt purposeful programs adding value in the fields of education, health, environmental preservation, and other activities consistent with our vision for pursuing SDGs.

Commitment to Sustainability

Shahjalal Islami Bank Limited is committed to building an inclusive and better future by embedding a responsible and sustainable approach in all our activities. This is central to our purpose of helping individuals and businesses across communities achieve their aspirations through the provision of financial services that meet their needs. We will prioritise our customers' needs while rooted in our vision and mission, Integrity, Forward-Looking, Respect and Responsibility.

As a leading shariah based bank, we act as a catalyst to reshape social and economic developments that are more broad-based, inclusive, and sustainable. At the same time, we will continually invest in our people, and engage and contribute to our communities. All these initiatives are aligned to the United Nations Sustainable Development Goals (SDGs) which will guide us to positively contribute toward building a more sustainable future.



Mohammed Ashfaquul Hoque, FCA, FCS

SEVP & Head of the Sustainable Finance Unit

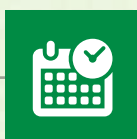


GRI 102-50, GRI 102-52, GRI 102-53, GRI 102-54

ABOUT THIS REPORT



For the very first time in the history of Shahjalal Islami Bank Limited, Sustainability Report is going to be published with the intention of sharing and depicting a clear picture of our bank's sustainability furnished with all relevant information for our shareholders and external stakeholders to accept well-informed investment decisions and makes the best effort to address all the qualitative requirements of the Global Reporting Initiatives (GRI) and quantitative requirements of International Financial Reporting Standards (IFRS). Our first sustainability report reviews our environmental, social, and governance performance. "This report has been prepared in accordance with the Global Reporting Initiatives (GRI) Standards: Core Option". The Report has adopted GRI Standards for sustainability reporting to disclose its sustainability performance of identified material topics and selected Core Option of GRI Standards.



Reporting Period

The report covers the calendar year from 1st January to 31st December, 2021 and emphasizes the activities in that given time frame. However, information from most recent past years is also used when needed.



Reporting Cycle

This Report contains all of our major economic, environmental, and social impacts arising from the daily activities and operations of Shahjalal Islami Bank Limited in the calendar year 2021 and the sustainability report of our Bank will be prepared annually onwards covering the Bank's activities and achievements towards sustainability.



Boundary of the Report

This Report focuses on the Bank's major business operations wholly conducted by its Branches, Offshore Banking Unit and Agent Banking Outlets operating across the country.

Unless specified, information on the impacts driven from the activities of Shahjalal Islami Bank Securities Limited is not included in this report. Financial Data is presented in local currency which is Taka. This Report can be accessed via online on our website at www.sjibld.com.



Feedback







As this is our first time report on sustainability, our prime objective is to make improvement and progress throughout the year onwards.

We appreciate and welcome all the feedback and comments from our stakeholders on our progress and ambition. Hence, you are most welcome to reach our sustainability reporting squad headed by Mr. Abdul Aziz, Additional Managing Director, Chairman of Sustainable Finance Committee, Mr. Mohammed Ashfaque Hoque, FCA, FCS, Chief Risk Officer and Head of the Sustainable Finance Unit through:







sustainability@sjibld.com



SUSTAINABILITY HIGHLIGHTS IN 2021

Sustainable Investing & Financing	Financial Inclusion	Digitalization	Training & Skill Development	Women Empowerment	Environmental Stewardship
GRI 201, 202, 203, 300	GRI 102-13	Not Applicable	GRI 102-16, 404	GRI 405, 406	GRI 304
					
BDT.16,910 Million disbursed as Sustainable Investing & Financing	37 Financial Literacy Camp with 19,000+ Participants	72% transactions via Alternate Channels	145 Training & Development Programs and 2,657 Trained Employees	20% Women in the workforce	25,000 Trees Planted



Community Engagement	Maintenance of Adequate Capital	Benevolent Participation	Constant growth of NPAT	Implementation of Due Diligence	Usage of Renewable Energy
GRI 102-13	GRI 201-1	GRI 413	GRI 201	GRI 304	GRI 304-1, 304-2, 304-3
					
BDT. 232.93 Million CSR Expenditure	CRAR 15.04%	Contributed BDT 18.22 Million- to Cash Waqf	35% Y-o-Y growth in net profit	178 ESDD Checklist conducted	19 Solar Powered ATMs

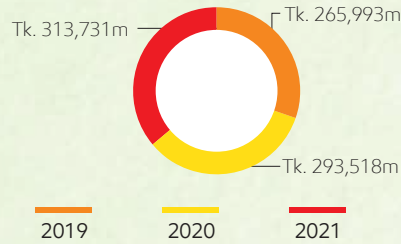




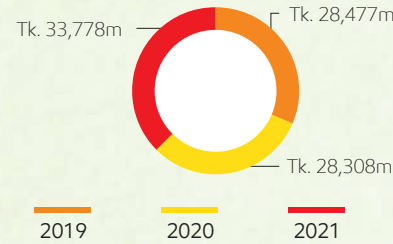
SUSTAINABILITY PERFORMANCE

Key Financial Highlights -2021

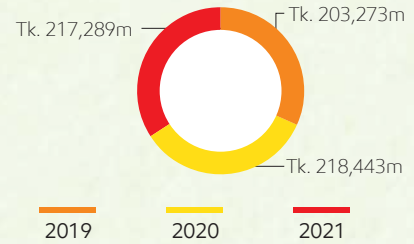
Total Assets



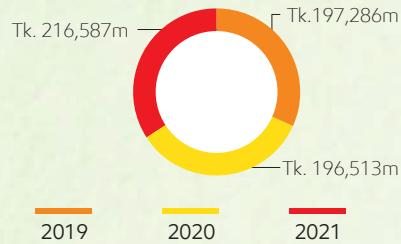
Total Capital



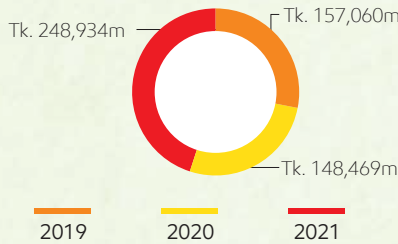
Total Deposit



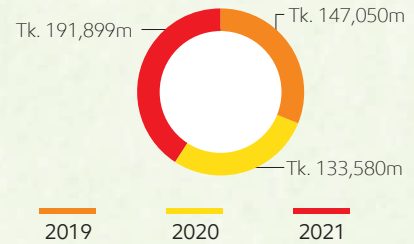
Total Investment



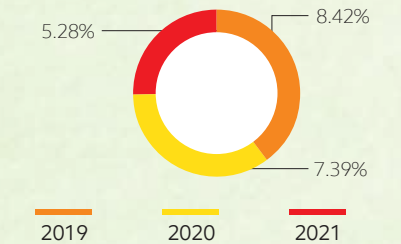
Import Business



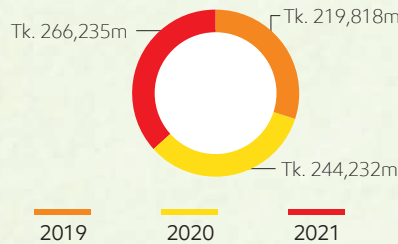
Export Business



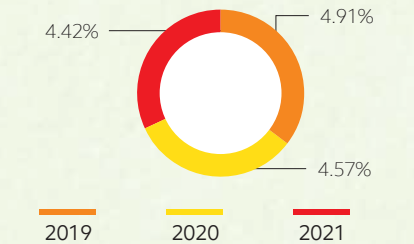
Cost of Fund



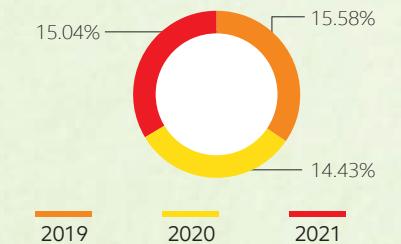
Profit Earning Assets



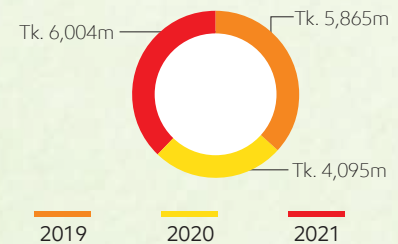
Classified Investment



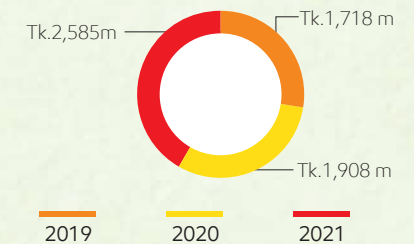
Capital Adequacy Ratio



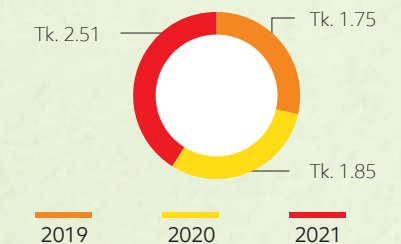
Operating Profit



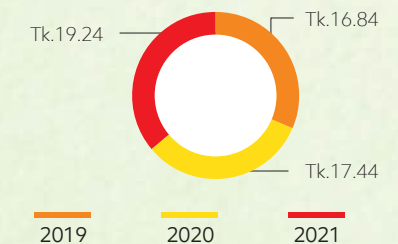
Profit after Tax



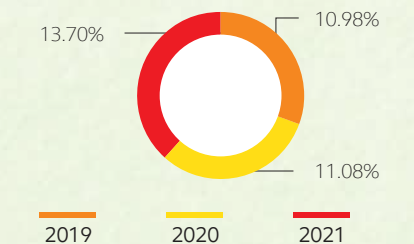
Earnings Per Share (EPS)



Net Assets value Per Share



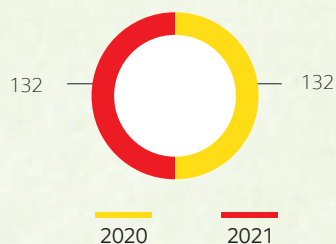
Return on Equity (ROE)



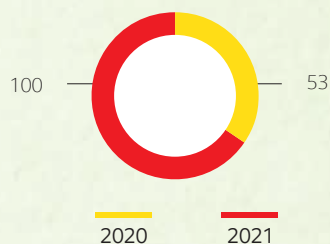


Non-Financial Highlights -2021

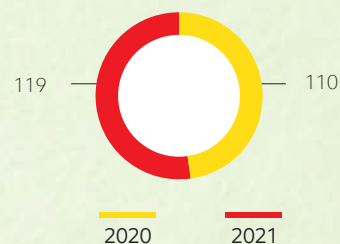
Number of Delivery Points



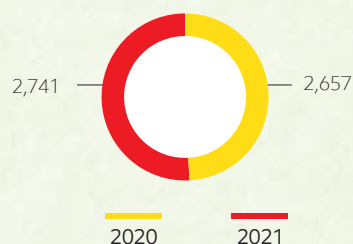
Number of Agent Banking Outlets



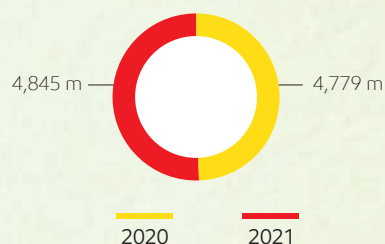
Number of ATMs



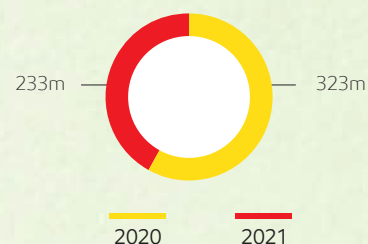
Staff Strength



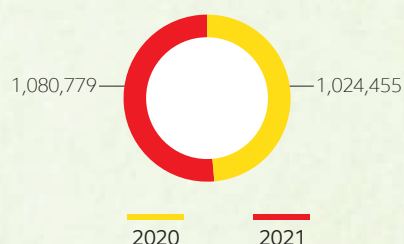
Contribution to National Exchequer



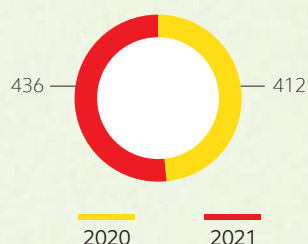
CSR



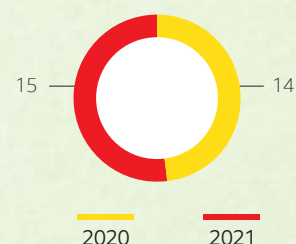
No. of Accounts



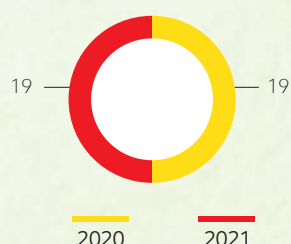
No. of Foreign Correspondent



No. of Drawing Arrangement



No. of AD Branches





1% special CSR expenditure on NPAT for addressing COVID-19



Participation agreement with Bangladesh Bank on Technology Development & Upgradation Fund (TDF)



Formulation of the Sustainable Finance Policy



Target fixation & allocation of Green Finance and Sustainable Finance

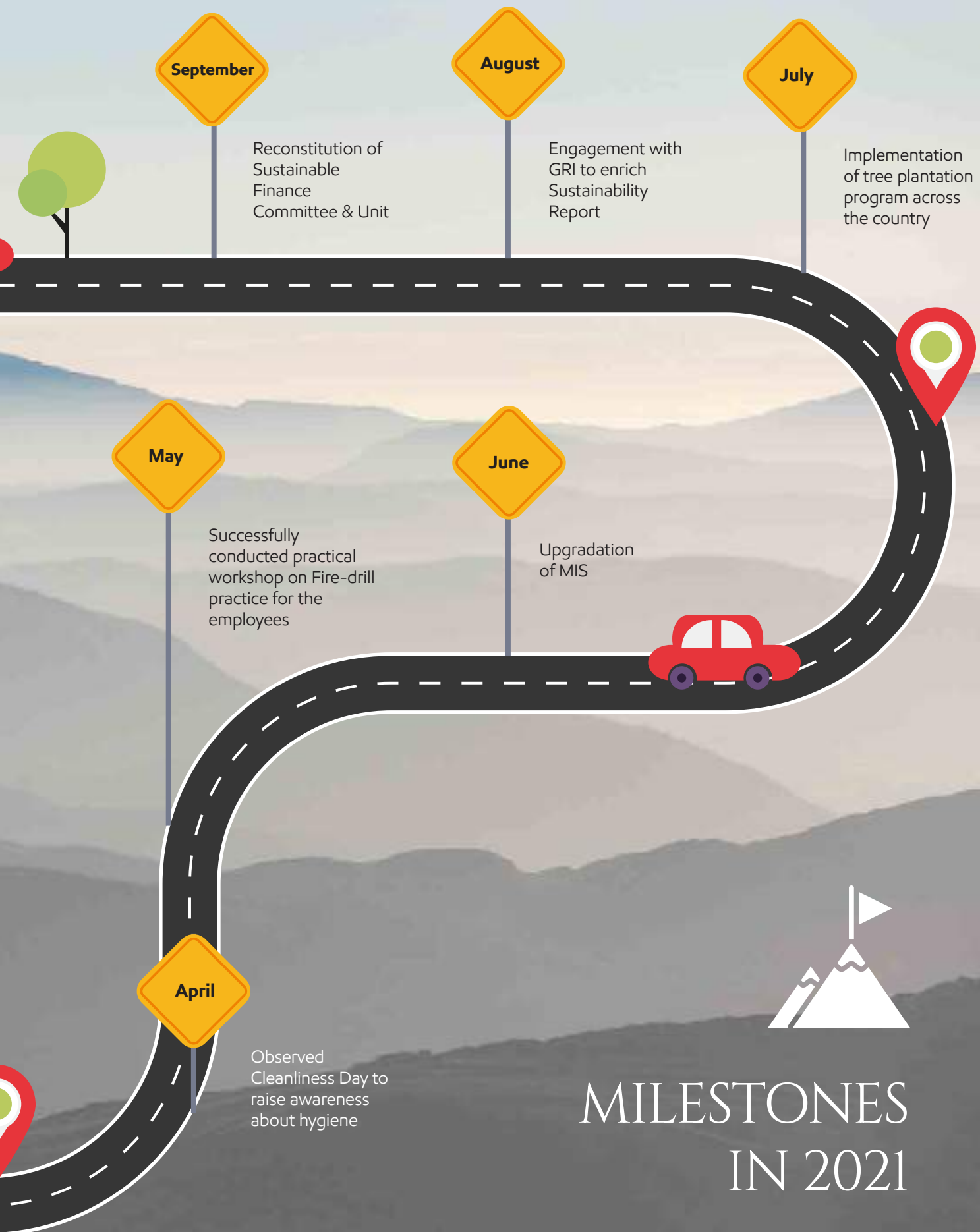


Capacity Building of the employees by conducting training programs via Zoom



Meeting of SFU was held





MILESTONES IN 2021



GRI 102-6

MARKETS SERVED



Service Recipients

General Public and Individuals, Government, Autonomous, Semi-Autonomous, Corporations and Government



Business Segments

Corporate, Retail, Cottage, Micro, Small, Medium







Geographic Segments

Across the Country



Credit Ratings

Shahjalal Islami Bank Limited has been rated by Emerging Credit Rating Limited (ECRL). ECRL performed the rating surveillance based on audited financial statements up to December 31, 2021 and other relevant information. The given Credit Report shows Shahjalal Islami Bank Limited's financial resilience and stability to move on with further sustainable development.

	Rating Type	2021	2020	Rating Agency
	Long-term Rating	AA	AA	 Emerging Credit Rating Limited (ECRL)
	Short-term Rating	ST-2	ST-2	
	outlook	Stable		



EMERGING
Credit Rating Ltd
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April 04, 2022

Mr. M Shahidul Islam
Managing Director & CEO
Shahjalal Islami Bank Limited
Shahjalal Islami Bank Tower, Plot No.-04,
Block-CWN(C), Gulshan Avenue, Dhaka-1212.

Subject: Credit Rating of Shahjalal Islami Bank Limited.

Dear Sir,

We are pleased to inform you that Emerging Credit Rating Limited (ECRL) has assigned the following ratings to Shahjalal Islami Bank Limited.

Valid From	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
March 25, 2022	March 24, 2023	Servellance	AA	ST-2	Stable
March 25, 2021	March 24, 2022	Initial	AA	ST-2	Stable

Both the Long term and the Short term rating are valid up to March 24, 2023. The main objective of this assignment is to determine the credit worthiness of the bank by applying recognized, accepted and realistic procedure of assessment methods. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We hope the rating will serve the intended purpose of your organization.

Yours Sincerely,


Arthur Rahman, FCCA, ACA
Director & CEO



GRI 102-13

MEMBERSHIP OF ASSOCIATION

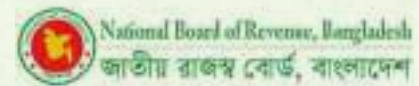
Shahjalal Islami Bank Limited conducts its operation in accordance with its ethical code of conduct, good corporate governance and places great prominence on becoming an active member of and building up networks with leading external organizations- enabling the Bank to drive and strengthen its business toward sustainability. Due to the fact that each organization has unique potential, strengths and expertise collaboration with these parties is regarded as a pathway to bring the best out of each organization in an effort to reinforce sustainable stewardships together. We enlist in different organizations as we believe this coalition will effectively drive the economy and broaden positive impacts on society and environment as well as the membership will instigate strong partnership and networks also align with the SDGs No-17: Partnership for the goals.



Bangladesh Institute of Bank Management
বাংলাদেশ ইনস্টিটিউট অব ব্যাংক ম্যানেজমেন্ট



الهيئة الشرعية المركزية للبنوك الإسلامية في بنغلاديش
সেন্ট্রাল শরীয়াহ বোর্ড ফর ইসলামিক ব্যাংকস অব বাংলাদেশ
CENTRAL SHARIAH BOARD FOR ISLAMIC BANKS OF BANGLADESH



CODE OF CONDUCT

Ethical Principles of Shahjalal Islami Bank Limited

The Bank has achieved a remarkable reputation since its inception. This reputation is our most important asset, source of inspiration & pride. The Bank's continued success depends heavily on all the member staffs of Shahjalal Islami Bank Limited family doing their best to maintain and enhance our tradition of honesty, integrity, fairness, excellence, respect, and concern for others.

The ethical conduct of Shahjalal Islami Bank Limited is followed by its directors, officials and all the member staffs from their respective positions. The ethical conduct includes, but not limited to, the following:



PRODUCTS AND SERVICES



DEPOSIT ACCOUNTS

- Mudaraba Savings Deposit Account
- Mudaraba Money Spinning Account
- Mudaraba Savings Account Payroll Scheme
- Mudaraba School Banking Account
- Al- Wadiah Current Deposit
- Mudaraba Special Notice Deposit
- Mudaraba Term Deposit Account
- Mudaraba Cash Waqf Deposit Account



DEPOSIT SCHEMES

- Mudaraba Monthly Deposit Scheme
- Mudaraba Monthly Income Scheme
- Mudaraba Multiple (Double/Triple) Benefit Scheme
- Mudaraba Millionaire Scheme
- Mudaraba Hajj Deposit Scheme
- Mudaraba Education Deposit Scheme



VISA CARDS

- Debit Card
- Classic Credit Card
- Gold Credit Card
- Platinum Credit Card



OTHER BANKING SERVICES

- ATM Services
- Remittance Services
- Locker Services
- Online Banking
- SMS Push-Pull
- Shahjalal Islami Bank Limited Student File
- Evening Banking Services
- Internet Banking Services (Shahjalal Islami Bank Limited NET)
- Utility Bill Payment Services
- Priority Banking Services
- E-Account Opening Service
- E-GP Services
- QR Teller Services



SME INVESTMENT PRODUCTS

- Cottage & Micro Enterprise Investment Program
- Small Business Investment Program
- Medium Enterprise Investment Program
- Women Entrepreneur Investment Program



CORPORATE INVESTMENT PRODUCTS

- Bai-Muajjal
- Bai-Salam
- Murabaha
- Quard-E-Hasana
- Lease/Ijara
- Hire Purchase Under Shirkatul Meelk (HPSM)



RETAIL INVESTMENT PRODUCTS

- Household Durable Scheme
- Housing Investment Program
- Car Investment Scheme
- Semi Pucca Housing Investment Scheme
- Investment Scheme For Executives
- Investment Scheme For Doctors
- Investment Scheme For Marriage
- Investment Scheme For Overseas Employment
- Investment Scheme For Education



AGRICULTURE INVESTMENT SECTORS (THROUGH OWN NETWORK AND NGO LINKAGE)

- Crops
- Fisheries
- Live Stocks
- Poverty Alleviation



SUSTAINABLE INVESTMENT PRODUCTS

- Biological or combination of Biological and Chemical ETP
- Solar Grid
- Machineries (Energy Auditor Certified)
- Zigzag Brick Field (other than coal-based)
- Green Featured Building
- Organic Farming
- Rooftop/ Vertical Agriculture
- Cottage Industry
- Financing in Green/Clean Transport Projects
- PET Bottle, Plastic and Battery Recycling Plant



SUSTAINABILITY GOVERNANCE

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SUSTAINABILITY GOVERNANCE OF THE BANK

Sustainable development is an important and integral part of the pursuit of value creation for customers, employees, and society. We are making sustainability an integral part of the overall business strategy. We believe that having a clear understanding of the importance of sustainability in everything we do, with focus on the impact we have both in our operations and how we can support our customers, and thus increase business value, is increasingly important. In 2021, the governance structure was clarified to ensure we deliver on our ambition to make sustainability a natural part of everything we do.

Board of Directors (BoD):

The Board of Directors has overall responsibility for reviewing and getting approval of sustainable strategy and policies. The BoD will address and consider strategic and tactical issues related to the sustainability area.

Board Risk Management Committee (BRMC):

The BRMC is responsible for assessing and screening proposals on sustainable lending and investment as well as supervising, reviewing and guiding the action plan adopted by Sustainable Finance Committee of the Bank.

Sustainable Finance Committee (SFC):

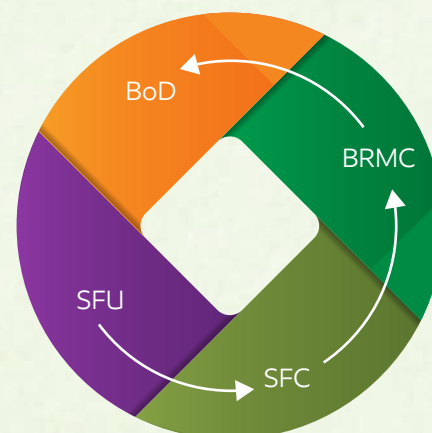
The Bank has a dynamic Sustainable Finance Committee which is headed by Additional Managing Director of the Bank is continuously monitoring, leading, supervising, guiding and following up of the activities of Sustainable

Finance Unit (SFU) of the Bank and directing the roadmap to SFU for pursuing the goals set by BoD. The SFC consisting of Head from different divisions of the Bank is also responsible for the execution of the sustainability direction and implementation of the governance structure set by BoD.

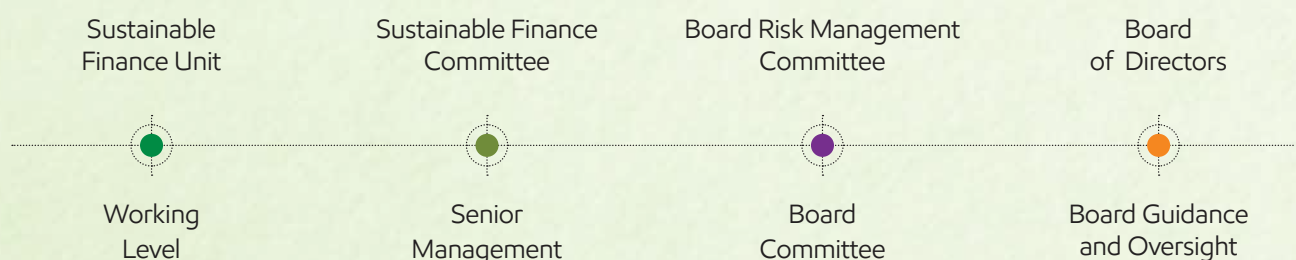
Sustainable Finance Unit (SFU):

The Sustainable Finance Unit has the operational responsibility by mandate from the SFC to drive the sustainability agenda across the Bank. SFU coordinates the agenda, ensuring correlation between strategic initiatives for sustainability and reporting on the progress as well as undertakes initiatives for the overall prioritisation to ensure alignment with the business strategy.

Sustainability Governance of the Bank



Shahjalal Islami Bank Limited's Sustainability Governance Chart





BOARD OF DIRECTORS

Chairman

Mr. Mohammed Younus

Vice Chairmen

Mr. Mohiuddin Ahmed

Mr. Mohammed Golam Quddus

(Rep: Anwer Khan Modern Hospital Ltd.)

Directors

Dr. Anwer Hossain Khan

Mr. Md. Sanaullah Shahid

(Rep. of Electra International Ltd.)

Mr. Md. Harun Miah

(Rep. of Shamsuddin Khan & Harun Miah Ltd.)

Mr. Md. Abdul Barek

Mr. Abdul Halim

Mr. Akkas Uddin Mollah

Mr. Khandaker Sakib Ahmed

Engr. Md. Towhidur Rahman

Mr. A.K. Azad

Mr. Fakir Akhtaruzzaman

Mr. Md. Moshir Rahman Chamak

(Rep. of Fresh Export Import Limited)

Mrs. Tahera Faruque

Mrs. Jabun Nahar

(Rep. of Daffodils Trading International)

Mr. Fakir Mashrikuzzaman

(Rep. of Fakir Knitwears Ltd.)

Mr. Ekramul Haque

Independent Directors

Mr. Ekramul Haque

Mr. K.A.M. Majedur Rahman

Mr. Nasir Uddin Ahmed FCA, FCS

Managing Director

Mr. M Shahidul Islam



COMMITTEES OF MANAGEMENT

Board Risk Management Committee

Name	Designation
Engr. Md. Towhidur Rahman	Chairman
Dr. Anwer Hossain Khan	Member
Mr. Mohiuddin Ahmed	Member
Mr. Fakir Mashrikuzzaman	Member
Mr. K.A.M. Majedur Rahman	Member

Sustainable Finance Committee (SFC)

Name	Designation
Mr. Abdul Aziz	Additional Managing Director
Mr. S.M. Mainuddin Chowdhury	Additional Managing Director
Mr. Mian Quamrul Hasan Chowdhury	Additional Managing Director
Mr. Md. Shahjahan Shiraj	Deputy Managing Director
Mr. Imtiaz Uddin Ahmed	Deputy Managing Director
Mr. Md. Nazimuddoula	Deputy Managing Director
Mr. Md. Mahmudul Haque	Senior Executive Vice President
Mr. Mohammed Ashfaqu Hoque FCA, FCS	Executive Vice President
Mr. Md. Shamsuddoha	Executive Vice President
Ms. Rumana Kutubuddin	Executive Vice President
Mr. Tariqul Islam	Executive Vice President
Mr. Md. Jafar Sadeq FCA	Executive Vice President
Mr. Mohammad Towfiqul Islam	Executive Vice President
Mr. Md. Marufur Rahman Khan	Senior Vice President
Mr. Mohammed Abu Shayem	Senior Vice President
Mr. Md. Mokter Hossain	Senior Vice President
Mr. Md. Abdur Rahim	Senior Vice President
Mr. Mohammad Abdul Majid	Senior Vice President
Mr. Abul Bashar Md. Zafry	Vice President

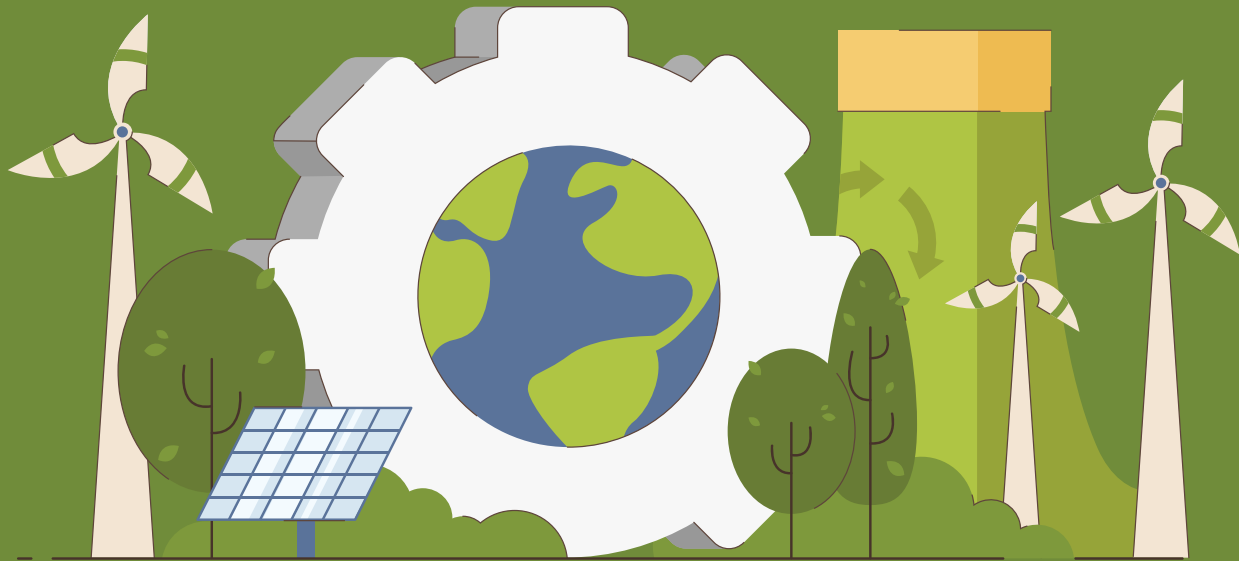
Sustainable Finance Unit (SFU)

Name	Designation
Mr. Mohammed Ashfaqu Hoque FCA, FCS	Senior Executive Vice President
Mr. Alam ur Rahman	Senior Assistant Vice President
Mr. Mohammad Manzur Rahman	Assistant Vice President
Mr. Sharif Hasan Mamun	Junior Assistant Vice President
Mr. Md. Sariful Islam	Junior Assistant Vice President
Mr. Javed Chowdhury	First Executive Officer
Mr. Md. Kamal Miah	First Executive Officer



KEY PRINCIPLE OF SUSTAINABILITY

Our sustainability approach is grounded on six (06) core principles which will head the Bank to walk into sustainable way:



1 **Sustainability**
is the responsibility
for everyone

2 **Access**
to digital products
and services

3 **Betterment**
of people's living,
society and the
environment

4 **Creation**
of long-lasting
sustainable value

5 **Introduction**
of new products
and services to
gauge customers'
changeable taste

6 **Engagement**
in Regulatory Changes
on environmental issues

1

SUSTAINABILITY

Intensify the dialogue with the stakeholders that are relevant for sustainability

ACTION

- Employee survey on sustainability
- Expansion of sustainability related topics

2

ACCESS

Strengthen and expand sustainable promotional products

ACTION

- Create more affordable investment products
- Improve the further viability of the project and corporate finance

3

BETTERMENT

Optimize the consumption on resources

ACTION

- Raise awareness for the use
Improve the further viability of resources
- Recycling of waste water



4

ENGAGEMENT

Reinforcement of the mobility of environmental friendly initiatives

ACTION

- Encourage the use of environmentally friendly means of transport
- Tree Plantation & Social Forestation

5

CREATION

Development of value-oriented corporate culture

ACTION

- First Aid facility
- Internal training offerings
- Awareness raising about hygiene

6

INTRODUCTION

Ensure a better balance of work and family life

ACTION

- Continuation of the flexible working hours
- Day Care Centre
- Separate transportation facility for women employees
- Green Branch & Green Banking
- Green Bond/Sukuk
- Investment in Impact Fund



OUR SUSTAINABILITY GUIDELINES

To make further processes in the field of sustainability, Shahjalal Islami Bank Limited introduced the Sustainable Finance Policy in early 2021, aligned to Bangladesh Bank's Policy on Sustainable Finance, which governs the Bank's approach to sustainability and its continuous further development. The purpose of the clearly defined policy is to step forward the already established sustainability processes and to anchor them more firmly in the organisational structure. Taking sustainability aspects into account, our sustainability policy defines the operational approach, measures economic viability of the projects funded by the Bank and makes us watchful about the regulatory compliance and interests of our internal and external stakeholders'. The specifications in the Sustainable Finance Policy define detailed rules for the Bank's treatment of controversial business practices like human rights violations, child labour, violations of labour law and controversial business fields and activities relating to the environment and nature. To strengthen the future viability and competitiveness in the long run by ensuring a climate-resilient economy and society, Shahjalal Islami Bank Limited will make changes and update its Sustainable Finance Policy to move at a speedy speed in the future.

SUSTAINABILITY OBJECTIVES

As a shariah based provider of financial services, we acknowledge the important role we play in nation building and sustainable development. We aim to address environmental and social issues by providing excellent products and services and acting responsibly. In doing this, we also seek to contribute to the sustainable growth of our business and enhancement of our corporate value. Throughout this journey, we look forward to contributing to the establishment of a sustainable environment and society by setting some specific objectives for which we are dedicatedly working to pursue and putting new ones to keep this journey unstoppable. This Sustainability Report will drive you to get a clear concept on our sustainability objectives that we set so far to make our sustainable movements fast and robust.









GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44

STAKEHOLDERS ENGAGEMENT

Engagement of both internal and external stakeholders is pivotal to the Bank's sustainable business operation because it enables the Bank to better understand the expectations, needs, and issues of its stakeholders. We believe that engaging regularly with our stakeholders helps to draw on their knowledge and insights to inform strategic directions and inspire innovation on our part. This understanding will lead to close collaboration for a better response to challenges and the mutually beneficial pursuit of emerging business opportunities. These actions, in turn, will enhance the development of our products and services to serve the needs of each group of stakeholders. The feedback that we receive from our stakeholders guides our sustainability

strategy and the issues we prioritise for action and improvement. The way we engage our stakeholders will enable us to create value and strengthen good relationships, laying a strong foundation for the Bank's long-term sustainability.

In our first sustainability report, we have identified six stakeholder groups. In 2021, the Bank conducted periodic communications through multiple channels. Their type and frequency vary and correspond to the characteristics of each group of stakeholders. We take into account the opinions and suggestions covering economic, social, and environmental dimensions. As a result, the ways we engaged with them in 2021 are summarized below:

Stakeholder Group	Stakeholder's Aspirations	Engagement Mechanism	SJIBL's Response
			
 Shareholders & Investors	<ul style="list-style-type: none"> • Healthy return on investments • Stable Dividend Policy • Growing earnings • Sound governance & risk Management • Resilient outlook of the credit rating 	<ul style="list-style-type: none"> • Annual General Meeting (AGM) • Extraordinary General Meeting (EGM) • Annual Report • Press Conference • Print and Electronic Media • Online Meeting 	<ul style="list-style-type: none"> • Maintained lucrative Dividend Play-out Ratio • Built a resilient sound risk management governance • Followed transparency and integrity in financial reporting • Answered investor's queries efficiently and fairly
 Customers	<ul style="list-style-type: none"> • Good return from deposits • Fast service delivery with excellence • Products varieties catering market demand • Online Banking solutions via secured transactions, privacy, and confidentiality 	<ul style="list-style-type: none"> • 24/7 Customer Hot Line 16302 • Ongoing Market Research and product innovation • Dissemination of information through digital media • Customer workshop 	<ul style="list-style-type: none"> • Banking accessibility for all • Reaching out to customers by widening banking channels across the country • Continuously developing new products and operational process to meet up customer's taste • Fast & prompt customer service via uninterrupted digital banking channels



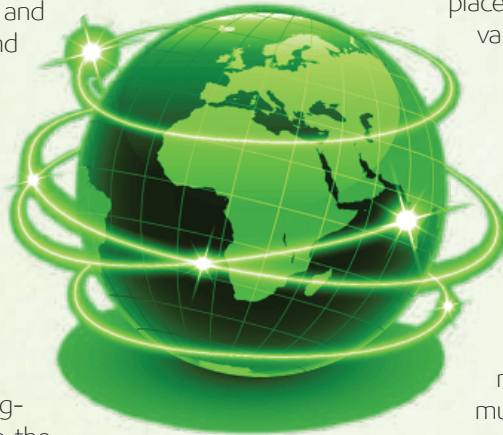
Stakeholder Group	Stakeholder's Aspirations	Engagement Mechanism	SJIBL's Response
  Employees	 <ul style="list-style-type: none"> Ethical employment practices Rewards/Recognition Training and career progression Wellness and safety Work-life balance 	 <ul style="list-style-type: none"> Annual Strategic Business Conference Training, workshops, and orientations programs, internal meetings, group email Internal circulation through the Shahjalal Islami Bank Limited Web Portal (HRD Circular, Information Circular, Instruction Circular) Online & Offline meeting 	 <ul style="list-style-type: none"> Salary packages are adjusted in line with market competitiveness and inflation Engagement in regular internal and external training programs Employee motivation is enhanced by a yearly performance bonus KPIs for performance and inherent quality analysis and Safety measures such as fire extinguishers, emergency stairs, and Smoke-free premises
 Government & Regulatory Authority	<ul style="list-style-type: none"> Proper compliance with laws and regulations Regular and timely payment of income tax and VAT accurately Ensure due-diligence and report timely as and when required 	<ul style="list-style-type: none"> Adhering to all local regulations and circulars compliance and issued by the Central Bank & government bodies and regulators other regulatory bodies Strict ethics and compliance with the National Exchequer, which with applicable laws, rules and helped considerably with the regulations, revenue collection of the guidelines Submission of necessary reports, returns and statements 	<ul style="list-style-type: none"> Ensured proper timely reporting to Contributed BDT 4,845 million to Directives, notifications and government guidelines
 Business Partners	<ul style="list-style-type: none"> Fair, trade, fair enlistment Sustainable and stable growth of the bank Developing strategic relationship 	<ul style="list-style-type: none"> Procurement management Training and communication Feedback evaluations Written communications and physical visits Reviews and assessments 	<ul style="list-style-type: none"> Fair pay and competition to award work orders Free from any basis or coercion from influencing quarters Timely payment to vendors Promote local suppliers Environmental and social risks assessments of the given resources
 Local Communities	<ul style="list-style-type: none"> Provide banking facility to geographically dispersed poor segment of the society Benefit economy by poverty reduction Support under-privileged people Community empowerment Reduction of Environmental degradation 	<ul style="list-style-type: none"> Promoting financial inclusion for both unbanked and banked people Continuous community engagement through CSR & Zakat contribution Tree plantation program School Banking campaign 	<ul style="list-style-type: none"> Considers the environmental and social impacts carefully, and refrain from having a negative impact on the society TK. 232.93 Million CSR Allocation TK. 1.05 Million spent for Tree Plantation Program Conducts School Banking campaign





MOVEMENTS TO SUSTAINABILITY

Resource degradation and social inequality remain a challenge at both national and global levels. They are partly caused by economic expansion, increasing demand for natural resources and lack of resource accessibility to sustain decent livelihood. The above challenges have led to a push for “sustainable development” in global economics. Shahjalal Islami Bank Limited recognizes and fulfils its role in promoting sustainable finance by incorporating Environmental, Social, and Governance (ESG) criteria into its lending and investment advisory decisions. The Bank is also committed to developing/delivering social and eco-friendly financial products and services in parallel with continuous promotion of financial accessibility and literacy among customers and people in the general public. To ensure that the Bank’s sustainable finance commitment is carried out systematically and with continuity, the Sustainable Finance Committee (SFC) headed by Additional Managing Director was set up in 2020 to establish long-term plans and align these plans to the business decisions to ensure sustainability.



The Bank focuses its efforts on promoting inclusive financial accessibility as well as cultivating financial literacy for customers and the general public, especially among the vulnerable population. In addition, the Bank also forms partnerships with Bangladesh Bank by signing agreement on refinance schemes to build a

financial balance for the unbanked group that facilitates sustainable development to narrow economic inequality, raise standard of living for people in the society, and foster inclusive growth. In 2021, the Bank has enhanced its digital capability and transformed the work model with the development of digital banking and business ecosystems to attract and deepen engagement with customers. The Bank has focused on creating business opportunities for exponential growth by investing in new digital businesses in the form of direct investments and committed towards fostering a better work place and cleaner environment through its varied initiatives.

Our culture and values create a powerful desire to do the right thing. We believe people with a healthy economy contribute positively to the wider economy, help drive social progress and are able to make better environmental choices. Through the way we do business, through the choices we make and the services we offer, we must at the very least ensure that our own impact on people and the planet is made responsibly.

To continue our journey in the expedite way towards sustainability, we have identified three core objectives and goals where we will remain dogged determined. The ambition provides a long-term direction and is intended to motivate continuous improvement and make sustainability a natural part of our everyday business.

Our Three (03) Core Sustainability Arena Which We Consider Vigorously

Financial Sustainability

Contribution to the stability of the financial services infrastructure with a well governed resilient bank, promoting a “Healthy & Sustainable Living” for the many people



Environmental Sustainability

Reduction of the environmental impact caused by own operations
Acceleration of environment friendly investment solutions for a “Climate Positive Economy”



Social Sustainability

Operating as a “Fair & Inclusive Company”
Providing development, safety, and equal treatment for all
Positive contribution to the community around us



In sum-up, our movements to sustainability demonstrate our never ending efforts to integrate sustainability and environmental, social and governance considerations at the core our operations. In line with this, we have initiated our solid journey towards sustainability aligned with the objectives of national and international plans adopted by the government of Bangladesh; such as Perspective Plan of Bangladesh (2021-2041), Government 8th Five Year Plan, National Sustainable

Development Strategy, National Social Security Strategy (NSSS) of Bangladesh, Bangladesh Climate Change Strategy and Action Plan, National Agricultural Policy, Intended Nationally Determined Contributions (INDC), National Disaster Management Policy 2015, National Financial Inclusion Strategy, UN declared Sustainable Development Goals (SDGs).

The Road to Our Sustainability Movements

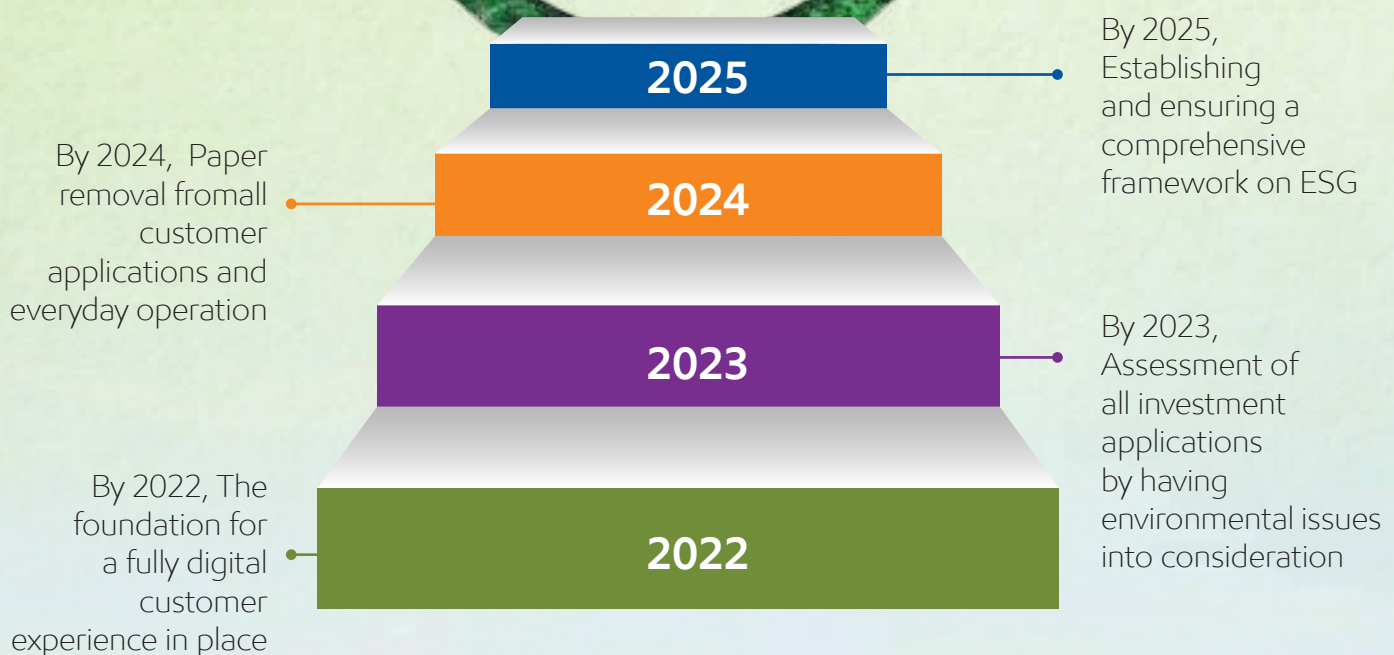
Through our sustainability movements, we work tirelessly to adopt a changed culture that facilitates the transition to a more inclusive and greener economy. Our policies and practices have been in constant movement to adapt into a sophisticated value creation model that promotes responsible relationships with our customers and beneficiaries. To ensure a

comprehensive and holistic approach to sustainability, our sustainability movement is comprised of three main interconnected pillars addressing the Bank's economic, social, and environmental impacts, while ensuring the optimization of its digital capabilities to provide an adequate contribution to each pillar which will drive the sustainable movements to the longevity.

Business Principle	Pillar	Generating value to Stakeholders	Shahjalal Islami Bank Limited's Movements	Remarks
An Inclusive Business	Driving Economic Growth	<ul style="list-style-type: none"> Economic Development Nurturing CMSMEs Inclusion of unbanked group Empowerment of women and youth 	<ul style="list-style-type: none"> Diversification of portfolio to create economic value to Customers, Business and the National Economy Broadening the activities relevant to Financial Inclusion and Financial Literacy 	A Digital Strategy catering to all pillars through Data, Technology, and Innovation
A Responsible Business	Managing Environmental Haphazard	<ul style="list-style-type: none"> Green Finance Resource and Operational Efficiency 	<ul style="list-style-type: none"> Strengthening finance in Green Products Ensuring Environmental Harmony 	
A Committed Business	Leading Social Empowerment	<ul style="list-style-type: none"> Customer Satisfaction Employee Wellbeing Community Investment Societal Prosperity 	<ul style="list-style-type: none"> Introduction of new products and services to meet up customers' emerging demand Enhancement the activities of Shahjalal Islami Bank Limited's Foundation Formation of Sustainable Finance Committee (SFC) and Sustainable Finance Unit (SFU) 	



SUSTAINABLE MOVEMENTS STRATEGIES (2022-2025)





DIFFERENT APPROACHES

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) APPROACH

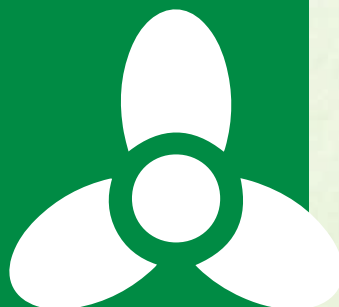
ESG considerations are becoming increasingly important in modern times where people are becoming increasingly aware of the impacts on wellbeing and environment. ESG criteria are a set of standards for conscious investors to evaluate potential investments based on their sustainability and environmental impacts. Shahjalal Islami Bank is always committed to creating a better and sustainable world and thus our vision and strategies are targeted at the long-term sustainability to leave a better world for our future generations. We are determined to integrate ESG policies in building and running our business and thus establish our prominence in becoming the leaders in ESG parameters in Bangladesh.



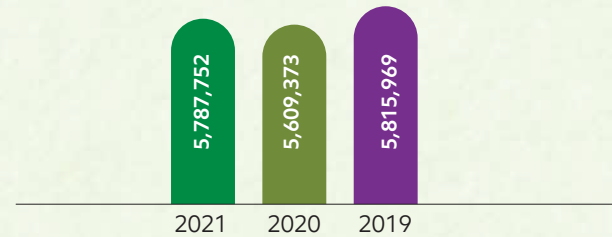
ENVIRONMENTAL

Environmental- Maximum utilization of limited resources:

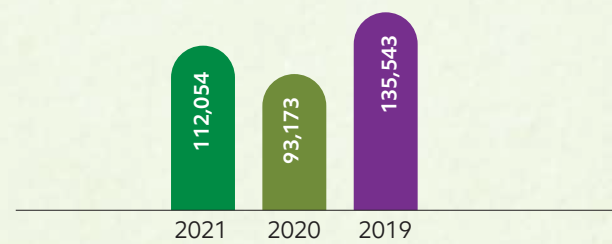
Shahjalal Islami Bank has prioritized projects emphasizing environmental benefits and currently we are investing those projects which involve in providing environment friendly products and services. Our environmental initiatives cover sectors like renewable energy, energy efficiency, water & waste management and recycling.



Electricity Consumption (KWH)



Fuel Consumption (Litre)



Energy Efficiency:

We have taken initiatives in installing energy efficient systems to optimize energy consumption across our operations by replacing traditional fluorescent with most efficient LED lamps across all the branches. We have latest energy efficient office equipment which harm less to the environment. Recently We have installed motion sensors enable lights in our 132 branches resulting in saving the average energy consumption.



Renewable Energy:

We have installed solar panels in 19 branches to promote the alternative and cleaner energy sources through our social initiatives. In addition, we have taken initiatives to invest in renewable energy projects to attain sustainable goals.

LEED certified buildings:

Our Corporate Head Office certified with "Gold" by Leadership and Energy Environment Design (LEED). Moreover, we have started investing in environment friendly building construction projects too.

Waste Water Management:

We have introduced most advanced equipment to some of our branches to minimize the wastage of water. Our Corporate Head office is equipped with the modern water management technology which is mostly efficient for maximum utilization of the resource. We are planning to introduce with the recapture system to utilize the recycled water.

Waste Management:

Our waste management endeavor is structured with three Rs namely Reduce, Reuse and Recycle respectively. We deal with three types of non-hazardous waste namely e-waste, dry waste and wet waste. We disposed e-waste through authorized recyclers.



SOCIAL

Social & Communities- Building better connect by empowering:

Rural Community development:

We are committed to ensuring holistic and sustainable development of our rural communities. Year 2021 was clearly an unprecedented one, especially for rural people- not just in terms of the Covid-19 pandemic but also the economic challenges it brought with it. In that year our activities were focused on COVID response, education, and winter relief. **We have contributed amount BDT 5.00 Crore to Prime Minister's emergency fund and COVID response fund to ensure the government has enough resources to carry out their plans for rural development and combat with the pandemic situation.**

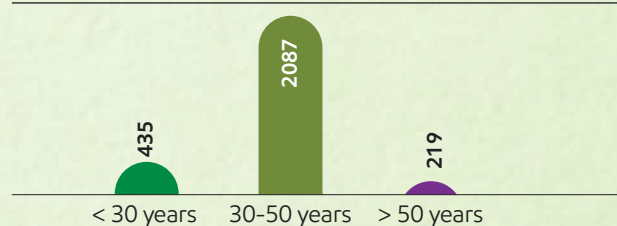
Employee health & Well Being:

We provide counseling to help our people deal with issue of mental health through a dedicated medical team. All our employees are within medical cover. For female employees on the path to embracing motherhood we have a maternity care program where 78 female employees took the advantage of this program. In FY2021 we aligned our ongoing program to equip our people with the navigate through Covid-19. We rolled out Emergency Medical Support related to Covid-19 from the beginning of the pandemic.

Workforce Diversity, Inclusion and Equal Opportunity:

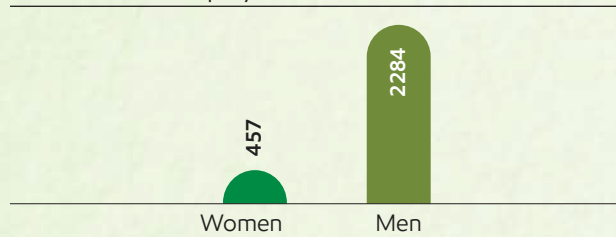
We endeavor to create and maintain a diversified and inclusive work environment with equal opportunity for all our employees irrespective of age, gender, religion, sexual orientation. We also provide equal and fair remuneration opportunities irrespective of gender. With the objective we are working simultaneously in talent acquisition as well as talent retention. We understand the importance and potential of providing a supportive ecosystem for women to enable them to build successful career.

Age Group

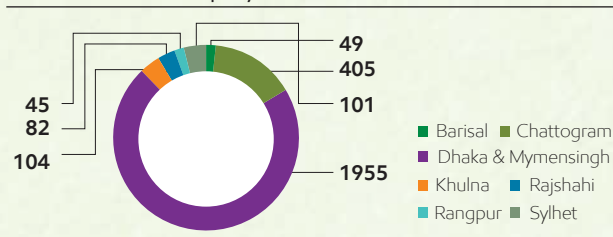




Total women employees



Division Wise Employee Distribution





GOVERNANCE

Governance-Enhancing the bar:

Our governance approach is based on the core values and strong ethics, enhanced risk consciousness, Board expertise and competence and unequivocal regulatory compliance. We have put in place well-defined decision-making and monitoring processes to uphold best-in-class governance standards which ensure a proper balance of authority accountability and liberty. Shahjalal Islami Bank Limited corporate governance framework underlines all its activities and operations.

Board of Directors and Board Competence:

Our Board reflects a balanced mix of young-energetic, experienced and expertise across banking, financial markets, public policy, risk management. We have also inducted independent Director who have vast contribution in the society, economy and financial value creation.


Board involvement initiative:

In shaping, maintaining and improving the banks processes and practices the Board plays a pivotal role. The onset of pandemic made Bank to rethink the way business is managed and ensure security. Employee safety and wellbeing remain a key priority area of the Bank as the second wave of Covid-19 infections sweeps through the nation.

Transparency and Accountability:

Transparency and accountability are among the key factors that stakeholders expect. For this the Board always endeavor to adopt global practice in governance, timely disclosures, and fair presentation of information. Shahjalal Islami Bank Limited have enacted practices that allow for a sufficient and visible flow of information for adequate safeguards in place.

Policies and Frameworks for ethical conduct:

We undertake ethical conduct in day to day operational activities. To ensure a pervasive and ethical cultural behavior we have created an environment and implement policies and frameworks that encourage appropriate business conduct. These policies are regularly communicated with the management employees and other stakeholders.



Our Corporate governance policy consist of:

- Code of corporate governance
- Policies to prevent insider trading
- Fair disclosure of related party transactions
- Environmental Social & Governance policy framework
- To ensure the ethical values, the bank has taken various measures



ESG ISSUES

The following chart outlines the most material environmental, social and governance issues relevant to our business and key stakeholders.

Shahjalal Islami Bank Limited ESG Topics	Key Stakeholders					
	 Clients and Customers	 Employees	 Suppliers	 Communities	 Shareholders	 Government & Regulators
Environmental						
Climate Change	■	■	■	■	■	■
Operational Footprint		■	■			■
Products and Services with Environmental or Social Benefits	■		■	■	■	
Social						
Community Development		■		■		
COVID-19	■	■	■	■	■	■
Employee Health and Well-being		■	■			
Talent Attraction, Retention and Development		■			■	
Workforce Diversity, Inclusion and Equal Opportunity		■		■	■	
Governance						
Business Ethics	■	■	■	■	■	■
ESG Governance	■	■			■	
Public Policy and Regulation Reform	■			■	■	■
Systematic Risk Management	■				■	
Transparency & Accountability	■			■	■	■



TRIPLE BOTTOM LINE APPROACH

As an institution that has embraced a holistic approach to sustainability, Shahjalal Islami Bank Limited follows the '3P' concept of 'people, planet and profit' under the ambit of its CSR aspirations and goals. Triple Bottom line approach suggests that we will ensure economic growth by not sacrificing environmental and social sustainability.



People

Planet

Profit

The bank has been working ardently to fulfill Sustainable Development Goals (SDGs) of the United Nations which include Inclusive Growth, Poverty Reduction, Gender Equality, Climate Action, Sustainable Cities and Communities, Quality Education and Good Health and Well-Being for the People. These Sustainable Development Goals (SDGs) commensurate with Triple Bottom line Approach in perfect way.



People

Shahjalal Islami Bank Limited always participates in contributing financial support to the society all over the fiscal year and this philanthropic participation will be a continuous process. To work with different kind of customers, regulators and suppliers, Shahjalal Islami Bank Limited delivers services with transparency and fairness to build trust and integrity among all the stakeholders which also creates everlasting value for us.



Number of incidents of
Discrimination in Year
2021

Nil



Number of incidents of
Child Labor in Year 2021

Nil



Number of incidents of
Human Rights violation in
Year 2021

Nil



Planet

We encourage our branches to invest in environment friendly projects which will be advantageous to our planet without making any threat in the long run. We also adopt and strictly comply in-house Green Office Guide of the bank to minimize the unnecessary consumption of the limited resources.



Number of imposed fines/penalties by Department of Environment (DOE) in Year 2021

Nil



Number of environmental grievances in Year 2021

Nil



Profit

Shahjalal Islami Bank Limited generates profit and experiences an upward trend of profit growth each year including in the last two years in spite of having a downturn due to the outbreak of COVID-19. However, the organization believes in the generation of profit in such a way that will lead the Bank to the sustainable growth.



Maintenance of minimum (12.5%) Capital Adequacy Ratio (with buffer)

Yes



Maintenance of minimum (4.0%) Cash Reserve Ratio

Yes



Maintenance of minimum (5.5%) Statutory Reserve Ratio

Yes



The bank has been working keenly to be focused on achieving Sustainable Development Goals (SDGs) of the United Nations along with different national strategic plans of the government of the People's Republic of Bangladesh on environmental issues. CSR, Green Banking and Financial Inclusion are the three major banking tools to address:



Economic Dimension



Social Dimension



Environmental Dimension

Maximizing shareholder's wealth

Value creation for society

Conducting business without damaging the balance of the environment

Shahjalal Islami Bank Limited reached BDT.700 crore profit club for the 1st time in 2021

Adding value to the society by being a good and transparent corporate citizen

Implementing Green banking practices

Return on Investment

CSR, Zakat, Cash Waqf

Green Banking initiatives

EPS & Cash Dividend

Branding, Sponsor

Sustainable Finance Portfolio, Reduction in GHG emission

Website and AGM

Training, Meetings

Training, Meetings Workshop, Green Office Guide

Business Objectives
 Addressing Stakeholder Expectation
 Creating Value
 Indicators
 Engagement Techniques





KEY INDICATORS OF TRIPLE P APPROACH OF SJIBL

PEOPLE

CSR donation:
BDT.232.28 million

Number of Agent
Banking Outlet :100

Number of Female
Employees: 457
along with 19 female
supervisors

Number of Total
School Banking
Account: 27,970

Amount in Cash
Waqf Account:
BDT.18.22 million

Zakat Fund :
BDT.179.87 million

Borne expenditure
of COVID Test of all
employees

Total SMS Sent to
customers :94,57,566

PLANET

Total Outstanding
amount of Green
Finance:BDT.770.37
million

Total Outstanding
amount of
Sustainable Finance:
BDT.21,638.84
million

Total Outstanding
amount of
SME Finance:
BDT.72,704 million

No finance in
Tannery and
Shipbreaking
industry


Active presence in
social media sites
like Shahjalal Islami
Bank Limited Official
Facebook, linkedin

PROFIT

Net Profit After Tax:
BDT.2585.24 million

Profit from digital platform Total
RTGS :1,44,652
Total EFTN: 17,27,938
No. of Total Debit Card
Issuance 39,120

Achievement of 03
prestigious award from
SAFA including Corporate
Governance

The background of the page is a close-up photograph of a green, leafy plant, possibly a type of ivy or similar climbing vine, with many small, rounded leaves. The plant is set against a light blue background. The leaves are dark green and have a slightly glossy texture. Some leaves are in sharp focus, while others are blurred in the background. The overall composition is organic and natural.

●
Number of No-frill
Account: 5,727

●
Launching of Automated Challan &
QR Code for Cash Withdrawal

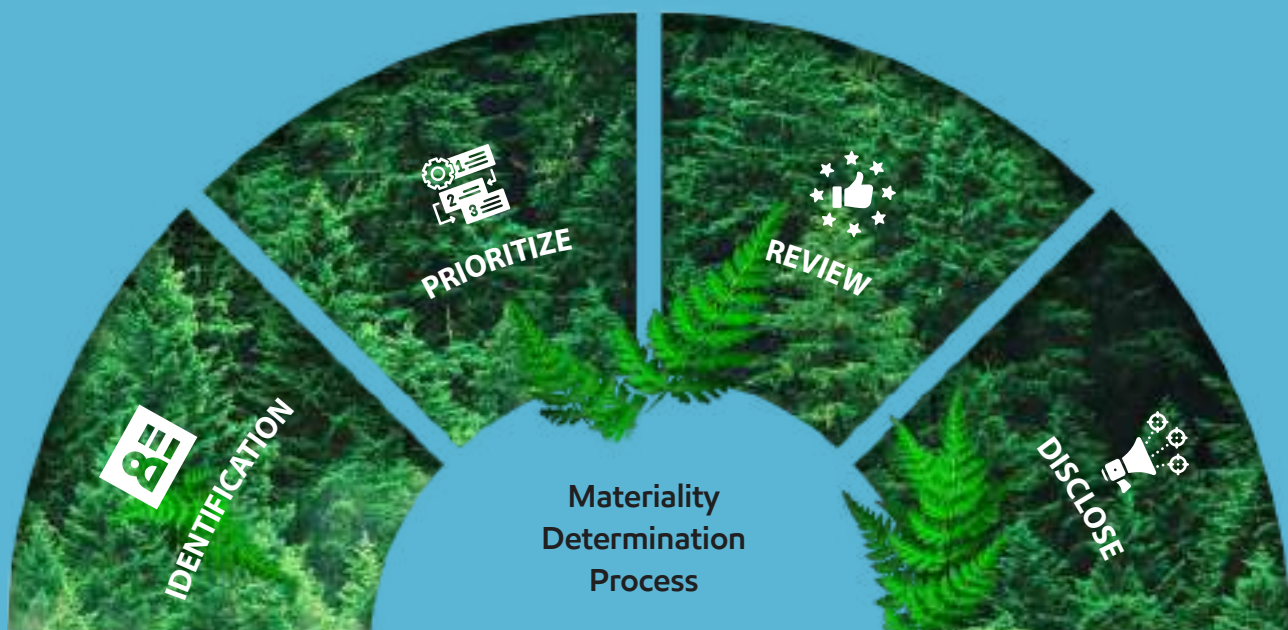
MATERIALITY APPROACH

In our first sustainability report, we used a materiality assessment process to categorize the relevant issues that have the most potential to impact our ability to run our operation successfully and derive value for our internal and external stakeholders. In conducting our materiality assessment, we considered our strategy, values, and code of conduct, the wants and needs of our stakeholders to identify the most relevant risks

and opportunities. This exercise is undertaken to identify the material issues and define priorities in an unbiased manner as the materiality assessment was carried out during the reporting period, and findings from the same have been used to develop the contents of the report. The identified material topics through the exercise are reflected in the content of this report and are in accordance with the GRI Standards.

Materiality Determination process at Shahjalal Islami Bank Limited:

In our sustainability reporting, a matter is considered material if it could substantively affect the Bank's ability to create value in the short, medium and long terms. The materiality determination process at Shahjalal Islami Bank Limited is depicted below:



Step 1: Identification

In our sustainability report, we have identified material aspects relevant to our sustainable strategies and stakeholder expectations toward the Bank taking into account our own Sustainable Finance Policy as well as the Sustainable Finance Policy of Bangladesh Bank for reviewing and considering all issues, challenges, and trends raised at both national and international levels.



Step 2: Prioritize

Through discussion with our stakeholders, the preliminary material topics are mapped with our business strategy and prioritized across our materiality matrix, reflecting importance to our stakeholders in contrast to the significance and impact of the economy, environment, and community.

**Step 3: Review**

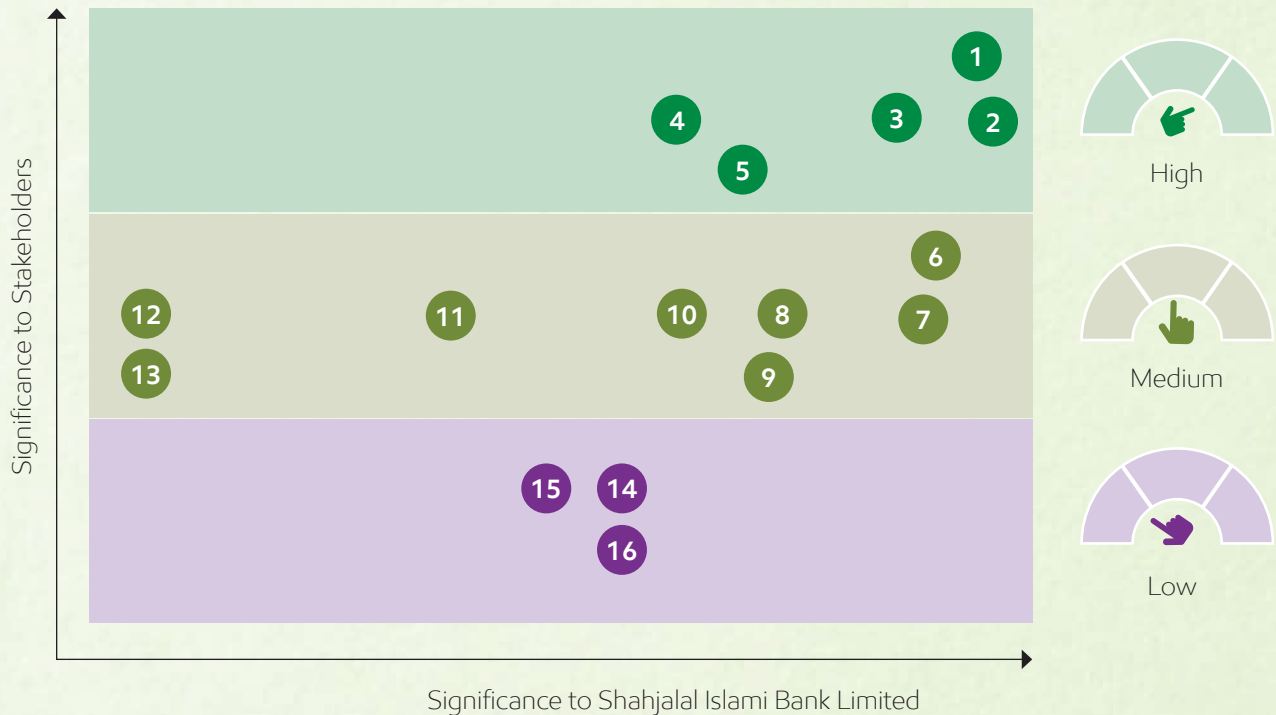
The Sustainable Finance Committee headed by Additional Managing Director as well as Senior Management Team members have reviewed material aspects with a view to confirming that relevant issues and impacts were thoroughly considered.

**Step 4: Disclose**

The reviewed material aspects were proposed to the Board Risk Management Committee (BRMC) and the Board of Directors (BoD) for their acknowledgment and consideration. The chosen and final materiality topics are used as the base information for the preparation of this sustainability report.

**Materiality Matrix:**

The Materiality Matrix will demonstrate our focus on the social aspect of sustainability like our relationship with our customers, employees, suppliers, and the community. We will further continue to evaluate these topics annually to reflect the views of our internal and external stakeholders.



- | | | |
|--|---|---|
| <ul style="list-style-type: none"> 1. Economic performance 2. Sustainable investments & financing 3. Corporate governance and ethics 4. Regulatory Compliance 5. Information security and data protection | <ul style="list-style-type: none"> 6. Customer Satisfaction and brand management 7. Occupational health, safety, and working environment 8. Financial inclusion 9. Community engagement 10. Environmental Management 11. Digitalization & innovation 12. Talent attraction and development 13. Ethical business practice 14. Risk control measures for fraud and anti-money laundering | <ul style="list-style-type: none"> 15. Optimizing resource efficiency 16. Diversity and equal opportunity |
|--|---|---|



Impacts of Materiality:



Materiality	GRI Standards	Scope of Internal Impacts	Scope of External Impacts	SDGs
Economic Performance	GRI 201-1, 203-1	All staffs and business units	Shareholders & Investors, Customers, Suppliers, Creditors, Communities	1 8
Sustainable investment and financing	GRI 102-11, 304, 305, 306	All business units	Communities and societies, Regulators, Investment clients	7 11 13
Corporate governance & ethics	GRI 102-18, 102-19	Executives and staff of all business units	Shareholders & investors, Customers, Creditors	16
Regulatory Compliance	GRI 103-2, 207-1	Executives and staff of all business units	Regulators, Shareholders, Creditors	16 17
Information security & data protection	GRI 102-30	Strong IT Team	Investors, Creditors, Regulators	9 16
Customer satisfaction and brand management	GRI 102-43	Availability of Online Branches and committed staffs	Investors, Customers	17
Occupational health, safety, and working environment	GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9	Executives and staff of all business units	Customers, Suppliers	3 6
Financial Inclusion	GRI 201-1	Executives and staff of all business units	Communities and societies, Customers	1 2 3 4 5 10



Materiality	GRI Standards	Scope of Internal Impacts	Scope of External Impacts	SDGs
Community engagement	GRI 102-13	Executives and staffs of Sustainable Finance Unit (SFU) and Foundation	Communities and societies	1 2 3 4 5 10 11 12
Environmental Management	GRI 307, 308	Executives and staff of all business units	Communities and Societies, Suppliers	13
Digitalization & Innovation	GRI 103-1, 103-2, 103-3	Strong R&D and IT Team	Shareholders, Investors, Suppliers, Regulators	9
Talent attraction and development	GRI 404-1, 404-2	Dynamic HR Team	Communities and societies	1 2 5 10
Ethical Business Practice	GRI 102	Executives and staff of all business units	Shareholders, Investors, Suppliers, Regulators, Creditors, Customers	16
Risk control measures for fraud and anti-money laundering	GRI 102-11, GRI 102-30, GRI 205	Executives and staff of all business units	Customers, Shareholders, Suppliers, Investors, Regulators	16
Optimizing resource efficiency	GRI 302-1, 302-2, 302-4, 302-5	Executives and staff of all business units	Customers, Suppliers, Communities and society	12
Diversity and equal opportunity	GRI 405, GRI 406	Executives and staff of all business units	Communities and society, Investors, Customers, Suppliers	5 8 10

Supporting National and Global Goals:

We are committed to following industry best practices with a view to generating sustainable value to present and future generations while keeping in pace with international goals. We measure and report our performance against a number of leading sustainability initiatives with the aim of continuing our sustainable movements.

National Goals:

The Government of the People's Republic of Bangladesh is pretty much positive and enthusiastic regarding Sustainable Development Goals clearly defined by United Nations. Honorable Prime Minister has already demonstrated her strong commitments towards the SDGs. As the economic growth and development of the country largely depends on natural resources, it is important to ensure sustainable environmental development. According to 'Vision

2021', the Government of Bangladesh has been implementing various programmes incorporating the measures of environmental pollution control and impact of global warming. Meanwhile, Bangladesh has achieved the target of ensuring safe drinking water and sanitation for all people as envisaged in the Millennium Development Goal (MDG) set by UN. Perspective Plan of Bangladesh 2010-2021, Bangladesh Delta Plan 2100, 8th Five Year Plan (July 2020- June 2025), Intended Nationally Determined Contributions, National Sustainable Development Strategies etc. are some of the remarkable actions adopted by Bangladesh Government in order to heading the country towards sustainable development. Since the inception of its operation, Shahjalal Islami Bank Limited has been continuously exerting effort to help the nation to achieve national goals set by Bangladesh Government. We have engaged our operation in this movements by taking into consideration of the emphasizing three fields particularly Economic, Environmental and Social development which is depicted below:













Shahjalal Islami Bank Limited's Contribution to National Goals









 Economic Development	 Environmental Development	 Social Development
<ul style="list-style-type: none"> Maintaining strong financial growth Providing financial support to individuals and businesses contributing to national development 	<ul style="list-style-type: none"> Minimizing waste and resource consumption Financing under Sustainable linked finance 	<ul style="list-style-type: none"> Providing accessible products and services to the wider community Creating employment opportunity and ensuring women participation in the workplace

Global Goals:

We are steadfast to embed environmental, social, and governance criteria in order to ensure Sustainable Development Goals (SDGs) of the United Nations. We focus to create a solid structure that reinforces and develops policies, guidelines, and strategies to monitor, manage, and address the potential risks and opportunities within our daily operations. Besides, we deliver and generate local economic development and betterment of the livelihood of our community in line with SDGs. Our goal is to ensure and sustain financial and operational performance to uphold shareholders' and customers' value which is also the major goal of SDG. In this backdrop, we are presenting a holistic picture of our operation which serves the goal of SDG:

Areas of Shahjalal Islami Bank Limited's Operation	What we did	Alignment with SDGs
Sustainable Investment & Banking	<ul style="list-style-type: none"> BDT 16,910.77 million disbursed under Sustainable Linked Finance BDT 3,590.00 million disbursed in agriculture sector 25,000 Number of trees planted across the country Strengthening financing in the specific areas/projects/initiatives defined by Bangladesh Bank Head Office furnished with rainwater harvesting and solid waste management system 	      
Empowering our people	<ul style="list-style-type: none"> Number of Capacity Building Programs: 10,051 BDT 2,904.00 million disbursed to women entrepreneurs Participation of significant number of women in the decision making process 	  



Areas of Shahjalal Islami Bank Limited's Operation	What we did	Alignment with SDGs
Governance, Ethics, & Risk Management	<ul style="list-style-type: none"> Received Corporate Governance Award from ICSB in 2021 Maintained adequate CAR: 15.04% Introduced integrity award 	
Positive Community Impacts	<ul style="list-style-type: none"> CSR allocation during the year: BDT 232.28 million Awareness raising about financial literacy through school banking campaign Rebranded Cash Waqf as a product for public welfare Employment generation for unemployed youths 	     
Strengthening Financial Performance	<ul style="list-style-type: none"> Net Profit After Tax: BDT 2,585.24 million EPS: BDT 2.51 P/E Ratio: 8.69 NAV per share: BDT 19.24 	





SUSTAINABLE FINANCE BY SJIBL

Sustainable Investing & Financing	82
Sustainable investing and financing in 2021 at a glance	86
Supporting Environment through Our Investment Strategy	88





GRI 201, GRI 202, GRI 203, GRI 300 (GRI 301 – GRI 308)

SUSTAINABLE INVESTING & FINANCING

The Bank is committed to being a socially and environmentally responsible financial services provider. As a shariah based financial institution, our biggest leverage with regards to sustainability comes from financing projects and businesses whose mission is to deliver sustainable outcomes for the environment, society, and the economy. We are continuously exploring methodologies and process to integrate ESG criteria into our assessments to guide our financing decisions in responsible investments that create meaningful value. We apply a shariah review process with a high level of scrutiny to all potential transactions to ensure that these are in line with our values as a shariah based bank by applying prudence and screening through our investment guidelines as well as Sustainable Finance Policy. The investment strategies that we adopt are integral to responsible investment decisions that contribute to:



Preserving and delivering long term growth

Maintaining Steadfast
NPAT: 2,585.24 million

EPS: BDT 2.51

P/E Ratio: 8.69

NAV per share: BDT
19.24



Providing a better quality of life for all

New opportunity
creation for young
generation

Strong Community
engagement

Encouraging Women
Empowerment

Discouraging Human
Rights Violation



Safeguarding the planet and its resources

Responsible
lending & financing

Tree
Plantation

Caring about
Environment and Social
Risk Management
(ESRM) Guideline

Rainwater Harvesting
System



Guideline on Sustainable Investing and Financing practices:

Shahjalal Islami Bank Limited, as a provider of financial services, is conscious that lending decision may incur ESG risks and impacts including climate change and recognizes that if these risks are not properly addressed, they could trigger direct and indirect impacts on the Bank's reputation and financial performance and have an impact on the quality of life and economy stability

of communities nationwide. Accordingly, the Bank has developed a comprehensive Sustainable Finance Policy to serve as a guideline for making its responsible lending decision. The Bank also supports eco-friendly projects and activities, promotes efficient use of resources, and supports and provides investment products that promote good ESG operations to help the country to achieving the UN Sustainable Development Goals as well as national goals.

Exclusion List & Inclusion Criteria:

As a testament to our commitment to sustainable banking practices in the area of responsible lending, the Bank has developed and formulated a comprehensive Sustainable Finance Policy where a holistic picture of the concerned sectors has been drawn to drive the Bank's motives by ensuring economic, environmental, and social balances. The Bank gives due consideration to environmental, social, and governance related criteria while making lending decisions by establishing an "Exclusion List" which defines sectors or types of customers that don't fit into the Bank's profile:



Production or trade in any product or activity deemed illegal under laws or regulations of Government of Bangladesh or international conventions and agreements



Ship breaking or trading activities refers to:

- Ships with prevalent asbestos use (for e.g. passenger cruise)
- Ships listed on the Greenpeace blacklist
- Ships not certified " gas free" for hot work



Production or activities involving forced labor or Child labor



Weapons and munitions, Tobacco, Gambling, Casinos, pornography, Brick production through Fixed Chimney Kiln (FCK)



Illegal logging, and logging operations or conversion of land for plantation use in primary tropical moist forests



Projects that do not maintain standard bio-safety level, fire defense system, workers health safety equipment



Projects that do not include gender equality, freedom of association, and right to bargaining of company employee or workers



Projects threaten community/public health



Operations impacting UNESCO World Heritage Site and/or Ramsar site



Drift net fishing, deep sea bottom trawling, or fishing with the use of explosives or cyanide



Hydraulic horn and >75 decibel horns, polypropylene and polythene bags, two stroke engines.

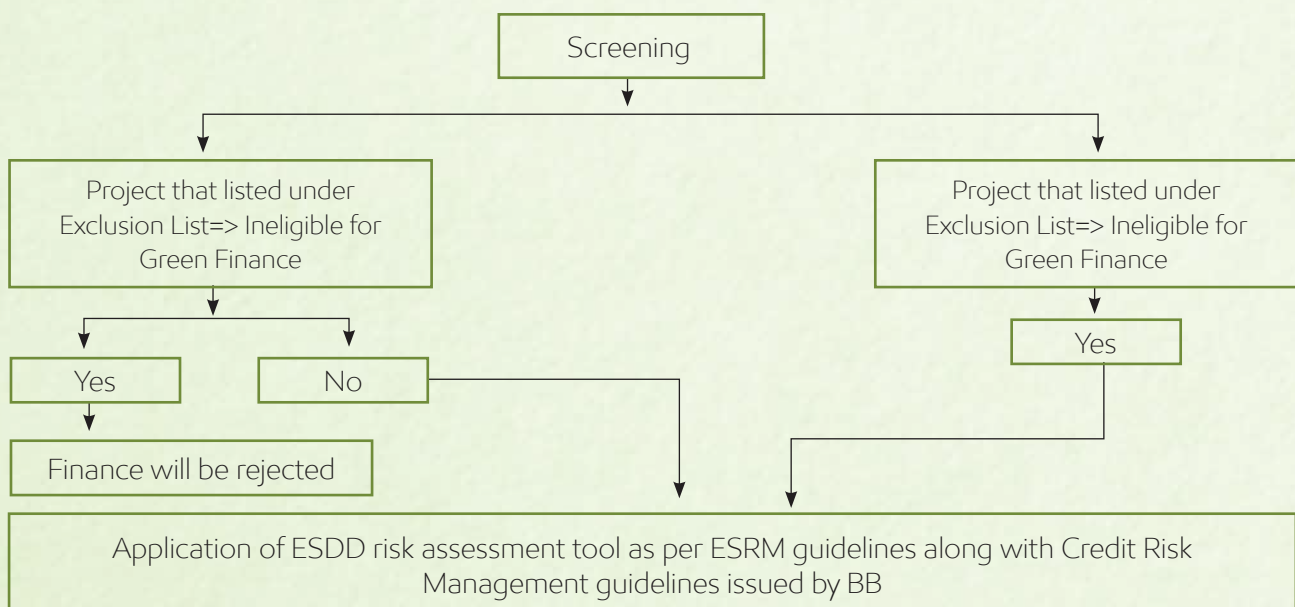


The commitment to sustainable investing and financing also means to assess the aspects of products/projects/initiatives for taking into consideration their sustainable impacts under our inclusion criteria which evaluate:



Screening & Monitoring:

We apply the following screening mechanism for each and every investment proposal:





Our Sustainable Investing & Financing in 2021:

To further ensure the sustainability of our lending policies, the Bank has classified the areas/projects/initiatives within specific sectors into low, medium and high-risk categories for the purpose of providing direction to lending strategy while taking ESG criteria into consideration by properly implementing the checklist on Environmental and Social Due Diligence (ESDD). Hence, we are working dedicatedly to enhance our investment and diversify our portfolio into the specific areas/projects/initiative that Bangladesh Bank recognizes as Green Finance and Sustainable Finance. Shahjalal Islami Bank Limited aspires to maintain significant financing in environment friendly projects and paves the way for responsible financing which has been reflected in the below table:

Sector-wise Sustainable Finance Disbursement in 2021:

(Amount in BDT & Million)

Category	Sub-Category	Disbursement as of December 31, 2021
Green Finance	Renewable Energy	20.73
	Energy & Resource Efficiency	364.70
	Liquid Waste Management	0.60
	Environment Friendly Brick Production	1.00
	Green/Environment Friendly Establishments	30.00
	Green Agriculture	81.58
	Green CMSME	2.98
	Green Socially Responsible Financing	1.00
(a) Total Disbursement in Green Finance		502.59
Sustainable Linked Finance	Sustainable Agriculture	3,804.48
	Sustainable CMSME	8,530.62
	Socially Responsible Financing	875.24
	Working Capital and Demand investment of Green Products/projects/initiatives	1,605.86
	Priority Green & Eco friendly products for trading sector	1,591.97
(b) Total Disbursement in Sustainable Linked Finance		16,408.17
Total Disbursement in Sustainable Finance (a+b)		16,910.76

SUSTAINABLE INVESTING AND FINANCING IN 2021 AT A GLANCE

Disbursement during the Year:



BDT 502.59 m

Term investment in Green Products/projects/initiatives



BDT 3,804.48 m

Sustainable Agriculture



BDT 8,530.62 m

Sustainable CMSME



BDT 875.24 m

Socially Responsible Financing



BDT 1,605.86 m

Working Capital and Demand investment of Green Products/projects/initiatives



BDT 1,591.97 m

Priority Green and Eco Friendly Products for Trading Sector

Outstanding during the Year:



BDT 770.37

Term investment in Green Products/projects/initiatives



BDT 3,380.59

Sustainable Agriculture



BDT 11,053.77

Sustainable CMSME



BDT 871.31

Socially Responsible Financing



BDT 1,574.48

Working Capital and Demand investment of Green Products/projects



BDT 3,988.27

Priority Green and Eco Friendly Products for Trading Sector



SUPPORTING ENVIRONMENT THROUGH OUR INVESTMENT STRATEGY



CASE STUDY 01

KONIKA VERMICOMPOST, A GREEN FINANCE CLIENT OF OUR CHUADANGA BRANCH

Vermicompost is a decomposition process that use various species of worms, usually red wigglers, white worms, and other earthworms, to create a mixture of decomposing vegetable or food waste, bedding materials, and vermin-cast. This process is called

vermicomposting, while the rearing of worms for this purpose is called vermin-culture. Vermicompost contains water-soluble nutrients and is an excellent, nutrient-rich organic fertilizer and soil conditioner. It is used in small scale sustainable, organic farming.



Vermicomposting has gained popularity in both industrial and domestic settings because, as compared with conventional composting, it provides a way to treat organic wastes more quickly. In manure composting, it also generates products that have lower salinity levels. In order to promote green economy as well as agriculture Shahjalal Islami Bank Limited has many such finances. One of the beneficiary of such green finance of Shahjalal Islami Bank Limited is Mr. Md. Nur Alam Liton, Proprietor of Konika Vermi Compost Joybo Shar Farm of Chuadanga district.

Mr. Md. Nur Alam Liton is a manufacturer and supplier of compost fertilizer and very experienced businessman in his business arena. He has been running his business for many years with good market reputation. He is 45 years old and very energetic person. By this time,

he increased his business remarkably and he has a huge opportunity to enlarge it. Total estimated budget was BDT 31.50 lac out of which client's equity would be BDT 21.50 lac and for the rest bank finance was required. As such, the client had applied to Shahjalal Islami Bank Limited, Chuadanga Branch to avail finance for his green investment of BDT 10.00 Lac under Bai-Muajjal-Commercial-TR (Revolving) favoring Konika Vermi Compost Joybo Shar Farm to operate the business smoothly. His main objective for Shahjalal Islami Bank Limited finance was to purchase earthworm, cowdung, packing bag & others chemicals from local market for producing of Compost Fertilizer. Shahjalal Islami Bank Limited investment officials were convinced of his proposal and approved him required amount of investment for vermicomposting.



● Factory of Konika Vermicompost



CASE STUDY 02

Enhancement of financing in Eco-friendly Horticulture Projects, favouring M/S. KULGAON AGRO PRODUCTS, a SME client of our Muradpur Branch

M/s. Kulgaon Agro Products is a horticulture project, which is located at Hathazari Road, Kulgaon, Chittagong. Mr. Farid Uddin is the proprietor of the concern having long experience in this line of business. He bought 20 acre of land in Chikon Chara, Jummapara adjacent to Chattogram Cantonment Area near Jungle Vatiary Mouza. Another 26 acres of land he got by inheritance. At present, Mr. Farid has been planting various seeds & seedlings in small scale in his fertile land. and took plan for planting in large volumes in his fertile land to develop horticulture project well. In this regard, he wants to purchase various seeds & seedlings as- Mango, Thai Guava, Orange (Malta), Banana &

Vietnam Coconut etc. with other seasonal vegetables. Cost will be BDT20.00 lac to BDT30.00 lac. Therefore, they asked for a BM (Term) investment facility limit of BDT 10.00 Lac for 18 equal monthly installments from Shahjalal Islami Bank Limited Muradpur branch. The client has already setup a strong marketing network to conduct his business smoothly and his CIB is clean. As such, Shahjalal Islami Bank Limited Muradpur branch approved him the investment under SME refinance scheme of Bangladesh Bank against mortgaged of a landed property of the client. The client is now doing well in spite of COVID 19 shock.

● A Horticulture Project financed by Shahjalal Islami Bank Limited

**Bangladesh Bank's Sustainable Finance Indicators & Shahjalal Islami Bank Limited's Status:**

Indicators	Shahjalal Islami Bank Limited's Status	Shahjalal Islami Bank Limited's Action
MIS for Sustainable Finance?	Yes	Strong Core Banking Solution (CBS) System, Central Circular Management System (CCMS)
Steps taken for awareness building of employees and customers?	Yes	Conducted 03 training programs on Sustainable Finance via Zoom Platforms covering 280+ Participants
Any decision taken by the Board/SMT for Sustainable Finance?	Yes	Approval of Sustainable Finance Policy, Reconstitution of Sustainable Finance Committee & Sustainable Finance Unit
Does the institution's annual report and website contain a specific section separated for Sustainable Finance/Banking related issues?	Yes	Both website and annual report contain specific section on Sustainable Finance
Any undue intervention by the Board for CSR approval?	No	Foundation of the Bank works independently on CSR issues
Penalty imposed for non-compliance of CSR issues?	No	The Bank always remains vigilant for complying the instructions by the Regulatory Authority
Minimum (20%) women employees in the work place?	Yes	Shahjalal Islami Bank Limited believes in Women's Empowerment and Recognition by recruiting significant number of women employees
CSR Activities disclosed in Annual Report/ Print/Electronic Media?	Yes	Every year Shahjalal Islami Bank Limited discloses its CSR Activities in Annual Report, Print, and Electronic Media
Scholarship and Medical facilities for employee's dependent?	Yes	The Bank provides stipends to the employee's meritorious offspring and ensures medical treatment facilities under insurance coverage
Safety measures in the workplace?	Yes	Emergency stairs for the exit, Organizing Training on Fire Drilling for the employees



PROMOTING CUSTOMERS & BUSINESS

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STRATEGIC FOCUS

In 2021, Shahjalal Islami Bank Limited (Shahjalal Islami Bank Limited) strongly focused on disbursement of Government declared 2 phase stimulus implementation to greater benefit of the economy as well as Bank's client. This year bank also has given enormous importance on cottage & micro enterprise financing, cluster financing, new entrepreneurship development financing, promoting rural people as well as rural women entrepreneurship, creating business network for CMSE entrepreneurs and financing in untapped areas to the unbanked new entrepreneurs. Shahjalal Islami Bank Limited also has managed to retain high asset quality withstanding the unprecedented challenges faced by the financial sector and economy as whole. As we are listing down our initiatives in the year 2021, Shahjalal Islami Bank Limited has continued close association with different CMSME activities like:

- Activated 09 (Nine) clusters i.e. Light Engineering, Chatal/Mill, Poultry Feed, Karuponno, Garments Accessories, Handloom/ Power loom & tantshilpo, Stone Crusher, Dry Fish, Shoes and Medical & Surgical Equipments to whip out better results from the cluster concept.
- Increased exposure on CMSME by BDT 131 million, which is instrumental in extending the portfolio.
- Developed products to cater suppliers of different accessories and raw materials for existing corporate clients of Shahjalal Islami Bank Limited with their recommendation.
- Arranged 4 training / seminar sessions and provided training to 520 entrepreneurs on capacity building, business development and monitoring.
- Organized 05 training sessions and provided training to 310 officers of the bank through online Training program.



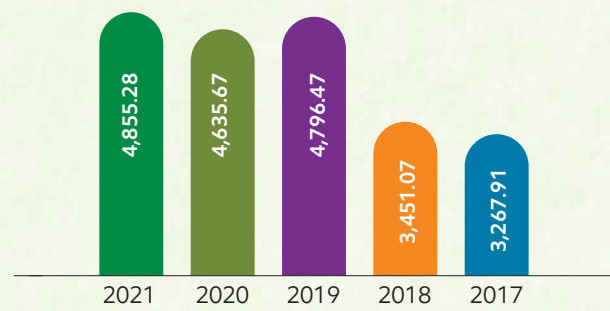
SUPPORTING AND PROMOTING SME SECTOR

Small and medium enterprises (SMEs) are the engines of growth, innovation, and employment worldwide, as well as in Bangladesh. The sector provides a major thrust to the economy, providing commercial stabilization as well as directly contributing to the grassroots development of the nation. Shahjalal Islami Bank Limited strongly believes that the SME sector is one of the main driving forces of economic growth and that there is a market with huge potential. In order to facilitate the SMEs in our country, the bank has been financing the SME sector since its inception. The SME Division has been strengthened to further reinforce SME financing to bring grass-root entrepreneurs into the main stream of economic growth. A number of need-based SME products are offered to our SME clients.

SME investment portfolio stood at BDT 72,704 million in 2021. Overall, business activity and investment demand have become slower due to continuation of the COVID-19 outbreak. As a result, the growth of SMEs was slow during the year under review. During the year 2021, the bank disbursed a total SME investment of BDT 84,525 million which was BDT 47,040 million in the year 2020. Out of the total SME disbursement,

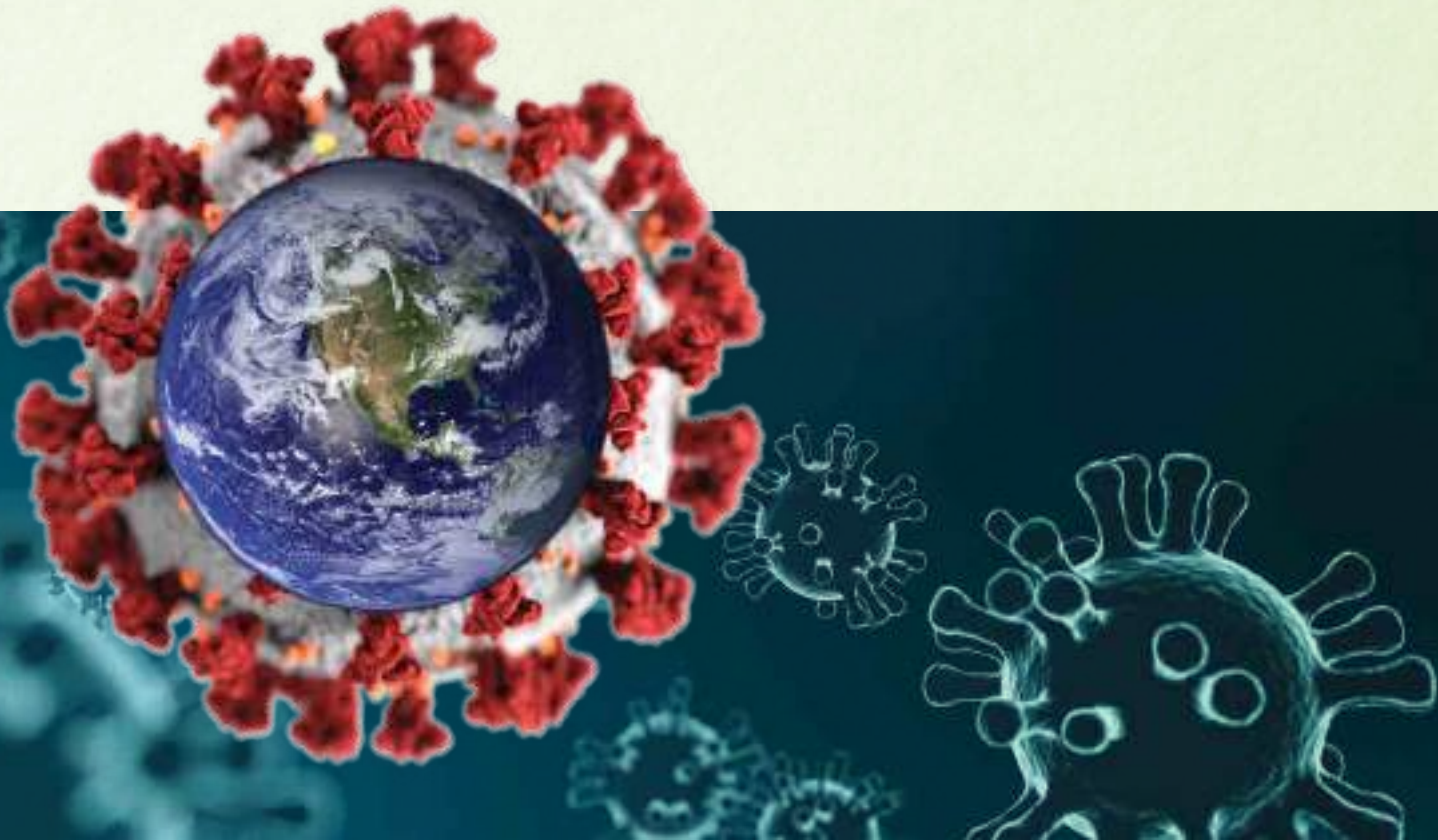
Margin Investment of SJIBL

(BDT in million)



BDT 48,654 million was disbursed to the manufacturing sector, BDT 18,174 million was disbursed to the trading sector, and remaining BDT 17,697 million was disbursed to the service sector. The bank places the utmost importance on creating women entrepreneurs. As such, it has disbursed BDT 2,903.00 million to women entrepreneurs during the year 2021 which was BDT 1,310.66 million in the year 2020. Besides, we have participated in the government's announced stimulus packages for the SME sector and disbursed significant amount of stimulus packages for the SME among our SME clients.





FACING COVID-19 CHALLENGES IN SME SECTOR AND SHAHJALAL ISLAMI BANK LIMITED'S RESPONSE

The shocks of the Covid-19 pandemic were divergent and varied across larger to smaller firms. The effects on cottage, micro, and small enterprises were more severe because of higher levels of vulnerability and lower resilience related to their size. Shahjalal Islami Bank Limited continuously tried to identify and to develop efficient financing conduits, not only to channel financial resources but also to be champion in providing workable solutions for accessing finance. The Bank continues to balance between providing affordable (investment) loans to the segment and maintaining a sustainable margin to offset the risks involved in lending to high-risk borrowers. The stimulus package, credit guarantee scheme, collateral free loan, concessional interest rate (4 per cent), and start-up fund along with the existing credit policies are quite supportive of building resilience of the CMSMEs during the pandemic.

Shahjalal Islami Bank Limited managed to retain high asset quality withstanding the unprecedented challenges faced by the financial sector and economy as a whole. Disbursement of CMSME increased compared to last years in Shahjalal Islami Bank Limited. However, cumulative outstanding increased marginally in 2021 as some MSME portfolio shifted into Corporate portfolio as per new criteria set by Bangladesh Bank. Otherwise outstanding could have been increased significantly.



CMSME FINANCIAL HIGHLIGHTS OF 2021



CMSME Portfolio stood at BDT 72,704 million compared to previous year's BDT 72,573 million with a growth of 0.18%.



In 2021 total BDT 79,710 million disbursed to different CMSME client which was BDT 47,040 million in 2020 with a growth of 69%.



The Cottage, Micro and Small Enterprise portfolio stood at BDT 36,391 million compared to previous year's BDT 30,145 million with a growth of 21%.



4,134 new CMSE borrowers were added to the CMSE portfolio in 2021 with a volume of BDT 10,411 million with 132 new customers on boarded in Mid Segment



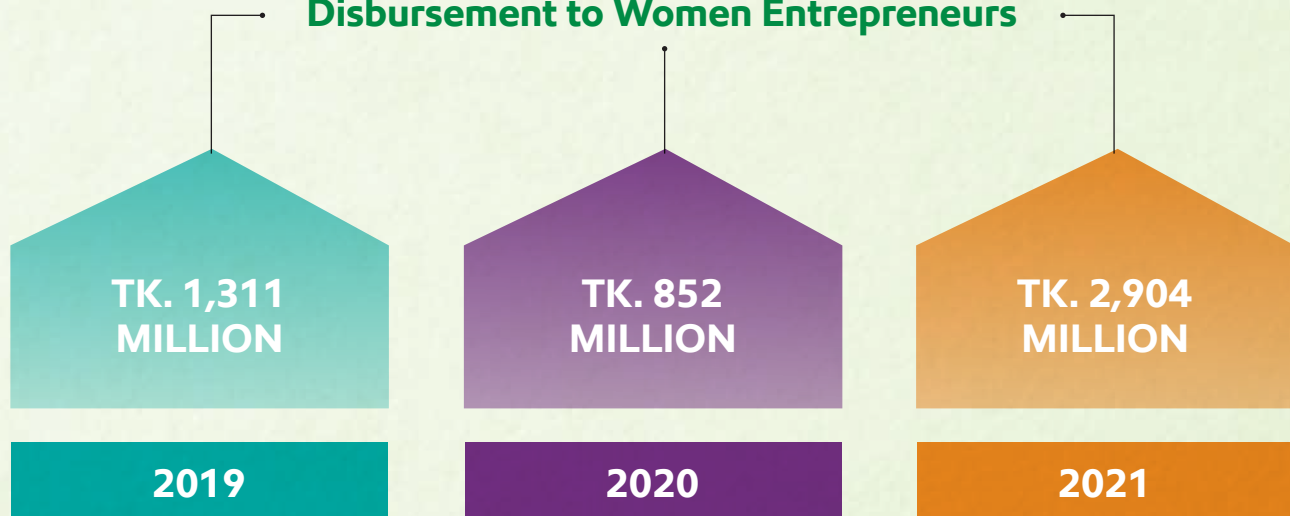
GRI 405, 406

ENCOURAGING WOMEN ENTREPRENEURS

Empowering women through SME financing is an added remarkable inspiration in the development of women entrepreneurs. In the special framework of CMSME, Shahjalal Islami Bank Ltd is giving top priority in developing and inspiring women entrepreneurs. The Bank is working with women entrepreneurs to make them capable of earning by connecting with country's economic activities.



Disbursement to Women Entrepreneurs



For ensuring uninterrupted and continuous investments to boost up women empowerment, Shahjalal Islami Bank Limited has undertaken numerous initiatives under its Sustainable objectives:

- For broadening the facility from metropolitan to the root level, the Bank has already established a separate cell named "Women Entrepreneurs Development Cell" at Head Office of the Bank.
- The Bank has a separate "Woman Entrepreneur Dedicated Help Desk" which under each Branch of the Bank works to facilitate the Women Entrepreneurs and to ensure their easy access to bank finance.
- The Bank has a dedicated product named "Prottasha" for women entrepreneurs. To encourage women, the Bank provides Investment to the women entrepreneurs at much easier terms conditions including low profit, relaxed collateral requirement etc.
- Shahjalal Islami Bank Limited gives priority to women entrepreneurs to invest on various productive sectors. Apart from collateral secured investment, collateral security free investment is also considered for Woman Entrepreneurs.
- For the improvement of entrepreneurship skills, the Bank arranges day long workshops for SME Women Entrepreneurs to listen to their opinion, requirements and then give them a way out with better solutions.
- Bank has an exclusive branch for women which is helping to thrive women entrepreneurship.

STRENGTHENING AGRICULTURAL INVESTMENT

Although Agriculture sector experienced a declining trend towards GDP contribution but still about 40.62 percent of the labor force are directly or indirectly dependent on this sector. Realizing the importance of Agricultural finance in creating self – employment opportunities, ensuring food security, and Socio-economic development of the country, Shahjalal Islami Bank Limited has been providing agriculture investment through own network and Micro Finance Institute linkage.

Though Year 2021 was a stressful year for the Bank as well as industry but activities in the Financial Year 2020-21, Shahjalal Islami Bank Limited performed well in this segment which is drawn below:

Received
“Letter of
Appreciation”
from the
Governor of
Bangladesh
Bank

Shahjalal Islami Bank Limited has been achieving the target of Bangladesh Bank in most of the years successfully and has received “Letter of appreciation” from the Governor of Bangladesh Bank for achieving Agricultural and Rural Investment Disbursement Target in several Fiscal Years.



Target

BDT.3,430 MILLION



Achievement

105%



Disbursement

BDT. 3,590 MILLION



No. of Beneficiaries

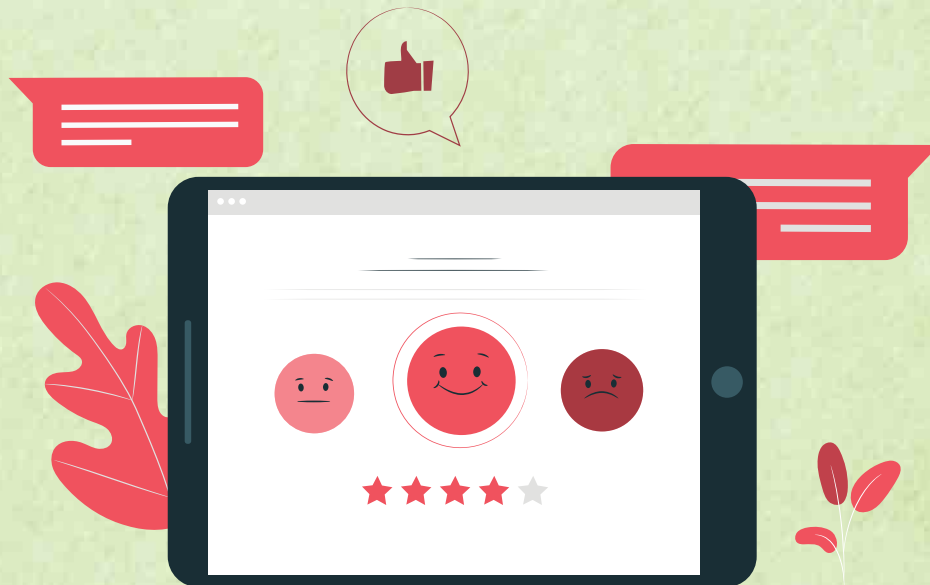
66,532



GRI 102-43

CUSTOMER SATISFACTION AND BRAND MANAGEMENT

Banking sector is a highly competitive sector where Peer Banks are also offering similar products and services to retain existing and attract new customers. Therefore, customer experience and satisfaction is being considered as key factors, which give banks, an edge over the others. Shahjalal Islami Bank Limited focuses on delivering an incredible customer experience, wherein, customer satisfaction is one of the crucial elements. The Bank measures and monitors customer satisfaction across the Branches through the following mechanisms to understand their level of satisfaction with the product and services rendered through our network branches and direct banking channels:



**Suggestion/
Feedback
sharing Box**



**Customer Service
Enhancement
Program**



**Mystery
shopping/
random survey**



**Client Meet
Up Program**



**RM Visit
Survey
Report**



Questionnaire



**in person
meeting with
customers**

Feedback received from these channels are collated and shared with the respective Department/Division who in turn work to incorporate these suggestions/changes in the newer roll out of product versions.



Customer Grievance Redressal Mechanism:

Complaints can be logged at any of the customer facing front end channels like Branch, Phone Banking, Email Management Support Unit, Comments taken from Social Media. To handle customer grievances, Shahjalal Islami Bank Limited has formed "Central Customer Service and Complaints Management Cell (CCS & CMC)" which is headed by Deputy Managing Director. Through the CCS & CMC, the Bank records, resolves, and monitors complaints received through various channels. As a part of the monitoring process,

CCS & CMC carries out analysis of logged complaints. Analysis is carried out based on the nature and type of complaint with a view to identify areas of complaints that are endemic in nature and requires process review and takes action to resolve these. Complaints which get escalated from the front channels are taken up by an internal dedicate team at the Bank. In addition to the aforementioned measures, if complaints are still not resolved to the satisfaction of the customers, they have an option to approach to the Head of Central Customer Service and Complaints Management Cell (CCS & CMC) directly.

Complaints received and resolved	2019	2020	2021
Complaints received	31	33	22
Complaints resolved	31	33	21
Grievance Resolved Rate	100%	100%	95.5%
Shahjalal Islami Bank Limited's Action	Immediate Action taken to address the complaints	Immediate Action taken to address the complaints	Dedicated Team had been assigned to look after 01 Number of Unresolved grievance and by January, 2022, the complaints had been solved.





CORPORATE GOVERNANCE & ETHICS

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Information security and data protection	105
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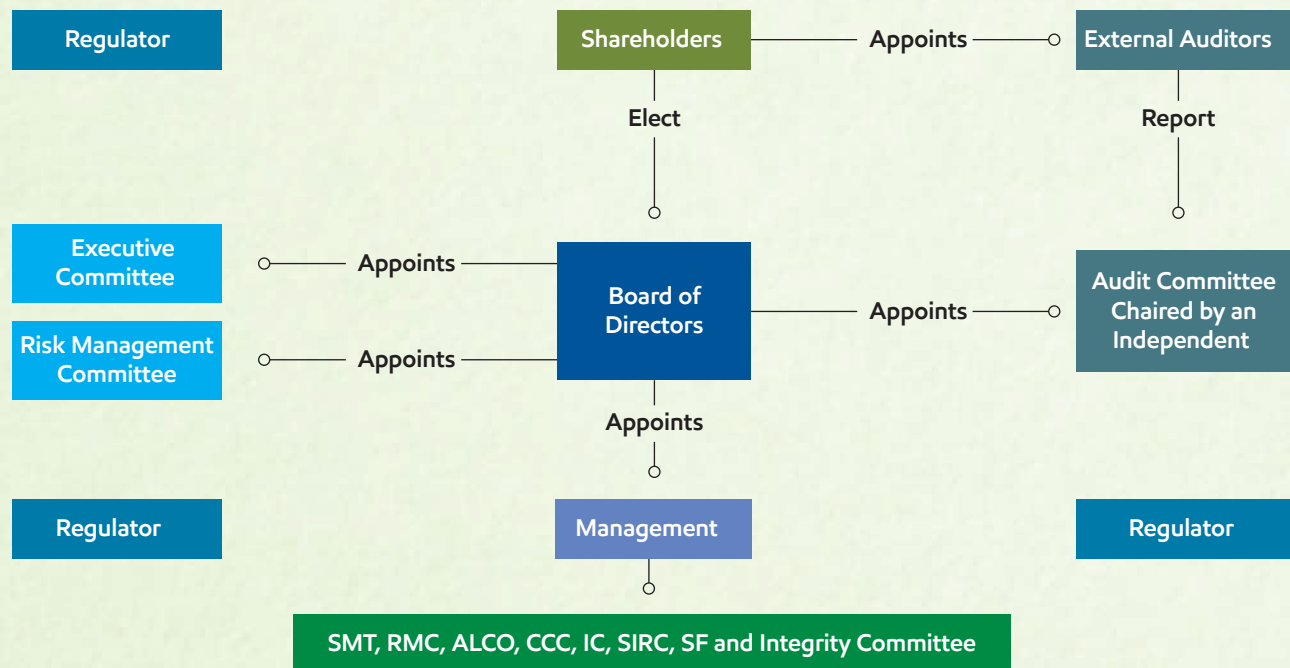
GRI 102-18, GRI 102-19

CORPORATE GOVERNANCE & ETHICS

Since its inception, Shahjalal Islami Bank Limited has been pursuing responsible and ethical banking. We have initiated the best international corporate governance practices and adopted a corporate culture to promote sustainable performance, client-centricity, innovation, and partnership. Our corporate governance report is a reflection of our strong adherence and commitment to best practices in corporate governance and our full compliance with the applicable rules and regulations of various regulatory bodies, including the Central Bank and the Bangladesh Securities and Exchange Commission.

Governance structure of the Bank:

The Board of Directors plays a pivotal role in shaping governance structures and practices through their choice of strategy and leadership to drive the bank towards growth. The board is responsible for the design and implementation of governance mechanisms, including the selection and appointment of members of subcommittees. The risk management and overall support functions of the bank have been designed and kept fully independent of the ordinary course of business to safeguard against any unforeseen events that may weaken the bank's brand value. The governance structure of the bank is as follows:



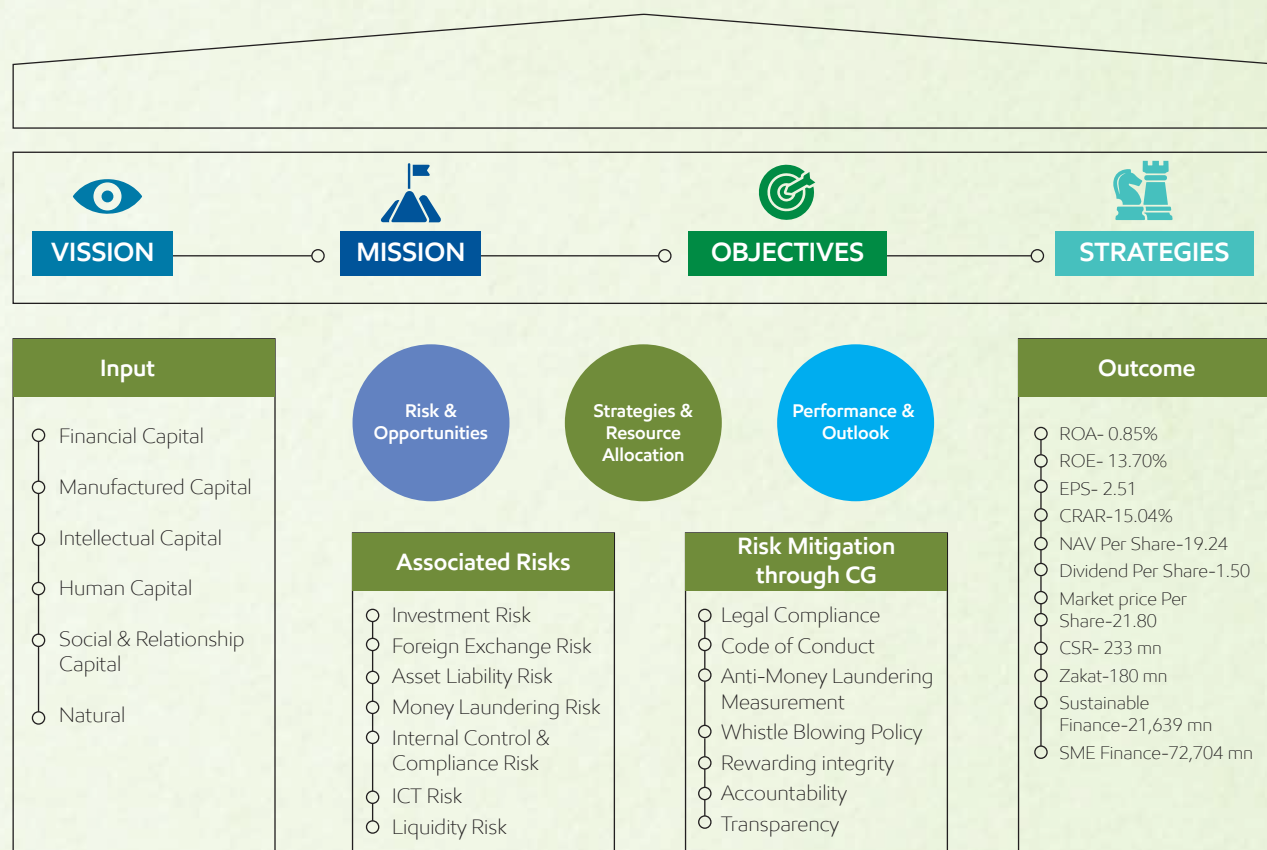
Sustainable Value Creation through our Corporate Governance Framework:

Corporate governance practices and the value creation of a bank such as Shahjalal Islami Bank Limited are

inextricably linked. In the face of economic, social, and environmental upheaval, all banking institutions are reconsidering their position in society. There is now widespread agreement that governance has a considerable impact on value creation. A good



corporate governance system reduces risks, improves capital flow, boosts reputation, and facilitates improved decision-making, all of which contribute to the bank's value. Shahjalal Islami Bank Limited's value creation through corporate governance is as follows:



Ethics

At Shahjalal Islami Bank Limited, we hold ourselves to the highest standards of professional conduct. Our Code of Conduct and Ethics outlines expected standards of behavior for all the employees with respect to corporate governance and ethical principles, anti-bribery and corruption requirements, integrity of record and information, safeguarding customer information, conflict of interest and other legal and regulatory regulations. With a view to upholding employees' adherence to the Code of Conduct and Ethics for following, practicing, and maintaining strong Corporate Governance, all existing and new employees are provided with awareness training on its contents.

At Shahjalal Islami Bank Limited, we are delivering our value by taking ethics and integrity as key factors into our operational activities:



Integrity

Our corporate governance and ethics based culture guides decisions, actions and interactions as a key enabler for the success of our business.



Confidentiality

We are committed to providing a safe, reliable and secured banking experience for our customers.



Fairness

We are to foster our clients succeed through simple, relevant, personal and fair shariah based banking. We act responsibly and be fair and transparent in our business practices including treating our colleagues, customers, stakeholders and business partners with respect.



Competence

We are ensuring the development of our employees' relevant knowledge, skills and behavior in such a way that drive our business activities to be conducted more professionally and proficiently.



Environment

We care about the environmental issues and are committed to reducing the effect of our operations in order to create a safe and healthy environment by managing our resources and raising staff awareness about the importance of caring for the environment.

Regulatory Compliance:

Shahjalal Islami Bank Limited operates in a highly regulated sector, so it is characterized by the increasing amount of new laws and regulations. All the operations of the Bank comply with legal, environmental and social requisites prescribed by regulatory bodies as per applicability. We always remain vigilant and watchful about the regulatory compliance and strictly follow the instructions given by the regulatory bodies and authorities. So far we have complied all the regulatory compliances meticulously and remained respectful to the environmental laws and regulations and we will operate in the coming days ahead under the umbrella of regulatory compliance. We do not only strive to comply with all applicable regulations to guarantee the integrity of our organization, but also support our clients in this complex field.

Regulations We Follow:

- Companies Act 1994
- Bank Company Act 1991
- Securities and Exchange Rules 1987
- Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC)
- Relevant rules and regulations of Bangladesh Bank
- All other applicable laws and regulations of the land
- Labor Relations under Labor Laws, 1996
- National Child Labor Elimination Policy, 2010



GRI 102-30

INFORMATION SECURITY AND DATA PROTECTION

To serve our customers and provide them with streamlined experiences, we rely on personal, business and financial information. To us, protecting data, particularly that of clients, is essential now as more data is being shared and stored online. For this purpose, we consider information as Top Priority for keeping it safe and secured. The adaptability of our organization, the digitalization of society, and the setting of a high standard of security on assets and customer data underline this important theme. We have a dedicated Head of ICT Security Department responsible for managing our Information Security Management Program, while the ICT Security Team implements the defined security controls and ensures compliance with our approved Information Security policies and procedures. The adaptability of our organization, the digitalization of society, and the setting of a high standard of security on assets and customer data underline this important theme.

Shahjalal Islami Bank Limited (Shahjalal Islami Bank Limited) has adopted global standards of information security practices. The Bank employs ICT Security Professionals in a separate ICT Security Department to handle security events, policy documents, inherent ICT risks, risk treatments, and other related activities in a more objective and unbiased manner to solve the issue of cyber security management. Because of the constant change, unpredictability, and uncertainty, cybersecurity has now become everyone's responsibility. As a result, Shahjalal Islami Bank Limited conducts a year-round cybersecurity awareness program for key stakeholders, employees, and clients. As part of a constant process, the

Bank informs staff about security in every manner imaginable. In practice, a number of activities are in place to verify and increase the preventative measures against cyber-attacks, including use of anti-virus and anti-spyware protection, and firewalls, perimeter security, vulnerability assessment, penetration testing, intrusion detection, and prevention.

The Bank has also adopted a number of important technology enhancement efforts to help mitigate ICT risk, including: a) Regularly update software to the latest versions. b) Through multi-factor authentication (MFA), the app-based banking service allows e-commerce transactions and then via OTP code SMS method. c) Transaction alerts are given to the banks' valued customers through SMS. d) The Internet Banking system's functionality and security have been improved. e) A server health monitoring system was introduced. f) CIB reports are collected and interpreted automatically. g) Enhanced capabilities of the call center systems. h) Enhanced capabilities of the SOC and NOC. i) Data backups that include off-site and remote storage are used.

The Bank has made efforts to adopt ISO/IEC 27001 (Information Security Management System) and PCI DSS (Payment Card Industry Data Security Standard) certification, in addition to implementing the SWIFT Customer Security Programme (CSP) within The Customer Security Controls Framework (CSCF). Through our social and online-web sites, it has always been in the forefront of raising awareness about different cyber-threats, therefore setting a high standard for asset and data protection at the Bank.



GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

OCCUPATIONAL HEALTH, SAFETY, AND WORKING ENVIRONMENT

Shahjalal Islami Bank Limited continues to focus on reinforcing its policies, systems and processes to ensure the safety of its employees and physical assets in the face of unforeseen adverse events. The Bank's Business Continuity Plan (BCP) continues to be in place and the employees remain aware of being hygienic and environmental issues. Our timely and frequent communication with employees is an important aspect of ensuring employees are always aware of the systems in place for an emergency, and also the role they can play to ensure their safety and the safety of the fellow mate. The Bank proactively

identifies hazards on its premises to implement appropriate measures to mitigate or eliminate the risk and engages with employees regularly to increase awareness on health and safety issues that they might encounter, both at work and at home, and methods to deal with effectively. Quick Response Team (QRT) has been formed to deal emergency crisis like COVID-19 Pandemic which is headed by Deputy Managing Director of the Bank. In addition to this, the Bank has appointed a full-time doctor and a medical assistant and maintained a safe and stress-free working environment.



Medical facility provided to the employees during working life

Conducting Training Session on Fire Drills:

Shahjalal Islami Bank Limited ensures the safety of personnel and assets from fire incidents at the workplace by establishing stringent systems and processes in place to prevent such occurrences and regular fire safety training and awareness for personnel.

Shahjalal Islami Bank Limited Head office and Branches are equipped with firefighting equipment and have multiple exit points for emergency exit. Strategic activities conducted during the year include- fire evacuation drills, fire system checks at the premises, safety training and demonstration of fire equipment usage and emergency fire alarm system.



Training on Fire drill held in 2021

Promoting a culture of Hygiene and Cleanliness Services:

Strengthening the efforts to improve employee habits on cleanliness, the Bank made campaign on October 30, 2021 and all the employees of the Bank participated spontaneously in the campaign by ensuring their presence and making the desk as well as premises hygienic.



Preventing sexual harassment at the Workplace:

We are committed to a work environment of respect and dignity for all individuals, and continue to maintain zero tolerance towards any kind of discrimination at the workplace. We have developed and formulated our own guidelines on Sexual Harassment Eradication and Prevention Policy which is applicable to all employees and is in consonance with the circulars issued by Bangladesh Bank on the prevention of harassment. The Bank's Human Resources Division (HRD) has been dedicatedly working with a view to expanding the objectives defined in the policy for making and creating a safe environment for female employees.



INCLUSIVE FINANCE

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GRI 201-1

FINANCIAL INCLUSION

Shahjalal Islami Bank Limited believes that Financial inclusion and Financial literacy for businesses and individuals are fundamental factors in facilitating sustainable business growth and personal well-being. So the Bank continuously collaborates with the regulatory bodies and others on achieving inclusive economic growth. We strive to promote our customers uprising needs and demands through appropriate financial product and service innovations, while empowering customers to access financial services with thorough equality. We not only provide funding sources for their business operations, but also aim to help them develop innovation and technology, well-being, job creation, and other positive impacts through our responsible lending and financing. Through such platforms, we share our technical expertise and newly adopted technologies to help provide financial services to the unbanked and under-served populations, therefore we are playing a vital role in boosting the nation's financial inclusion strategy and making the country digital and innovative as the Bank is committed to promoting financial inclusion for customers, businesses and the general public, including vulnerable class of the society, to help them to have a better quality of life and be able to compete in business at their full potential. The Bank has identified, reviewed, and explored two key opportunities from

promoting financial inclusion and financial literacy:

1. To strengthen business and household sectors and reduce inequality in opportunities;
2. To expand the Bank's new customer base and generate long-term income

Apart from adding more products and services, especially those offered through digital channels, and providing financial literacy to customers and the general public, including Bank's initiatives and collaborations with various partners in both the public and private sectors, the Bank has developed strategies to promote financial inclusion and financial literacy. These strategies include but not limited to:

- Creating financial opportunities for vulnerable groups, such as developing products and services to facilitate financial access for unbanked and disabled people
- Building a strong foundation for the economy by providing investment support to SME and marginal farmers as well as providing knowledge and skills in various fields including finance to SME and farmers, in order to enrich their business and professional capacity

Shahjalal Islami Bank Limited offers and provides numerous services to promote and encourage Financial Inclusion services like opening No-Frill Accounts (NFAs) in minimal balance for farmers, ready-made garment workers, workers in small footwear and leather product industries, and physically challenged people and the offers that Shahjalal Islami Bank Limited provides under NFAs bring the following advantages:



Meagre
Minimum
Balance



Available to
all as a part of
regular banking
activities



Fund mobilization,
transfer and
withdrawal from any
Branch and ATM

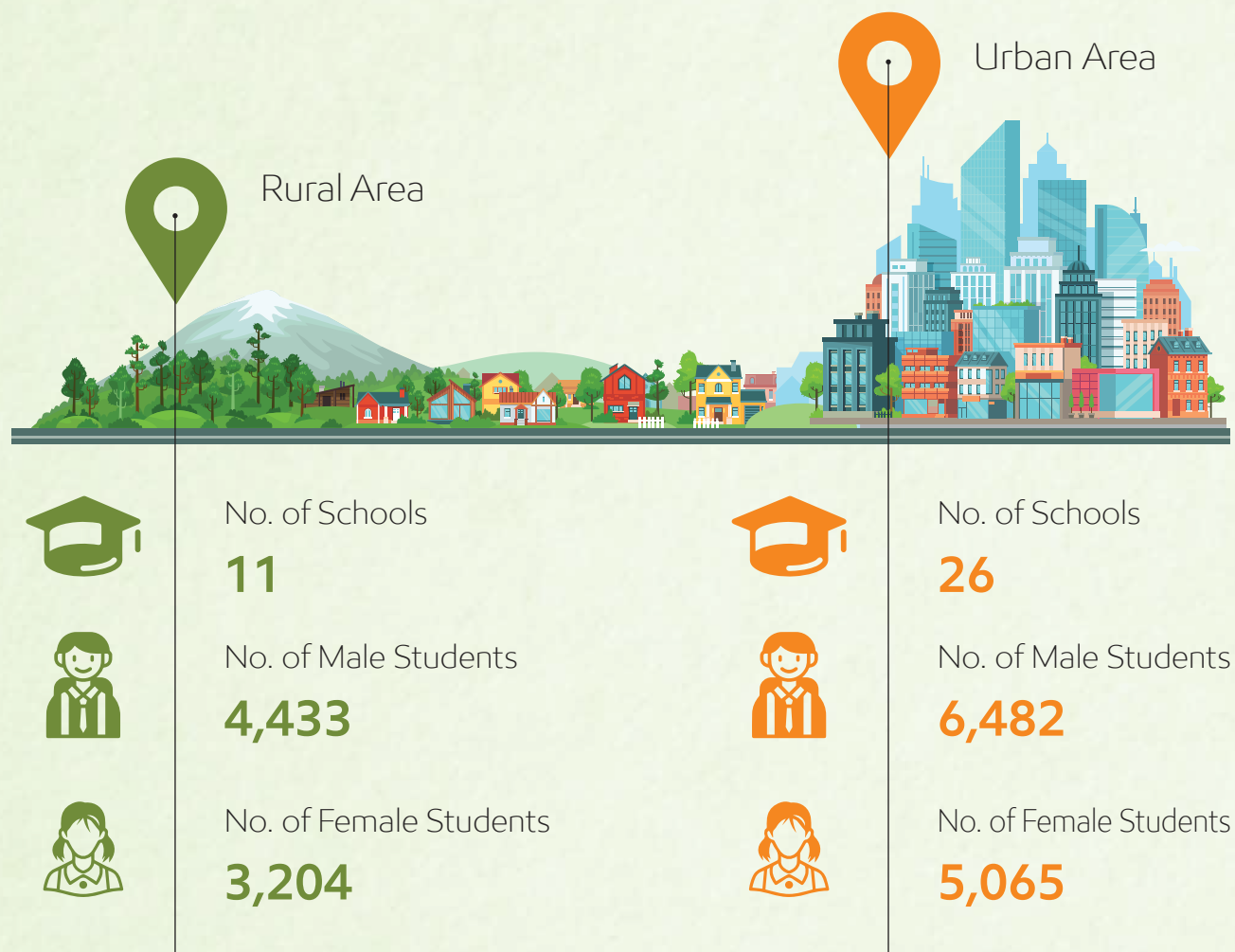


Offering Debit
Card at free of
cost



The Bank has brought students up to 18 years under School Banking Services and offered cheque book, Debit Card etc. In 2021, the Bank arranged and conducted Financial Literacy Campaign when the pandemic situation got improved and academic activities were carried out in full scale. Financial Literacy Campaign held in 2021 is shown below:

Financial Literacy Campaign held in 2021



Financial Literacy Campaign-2021

Moreover, the Bank has been dedicatedly working with street urchins, working children, lactating and working mothers with a view to fostering Financial Inclusion in every aspect of our society.

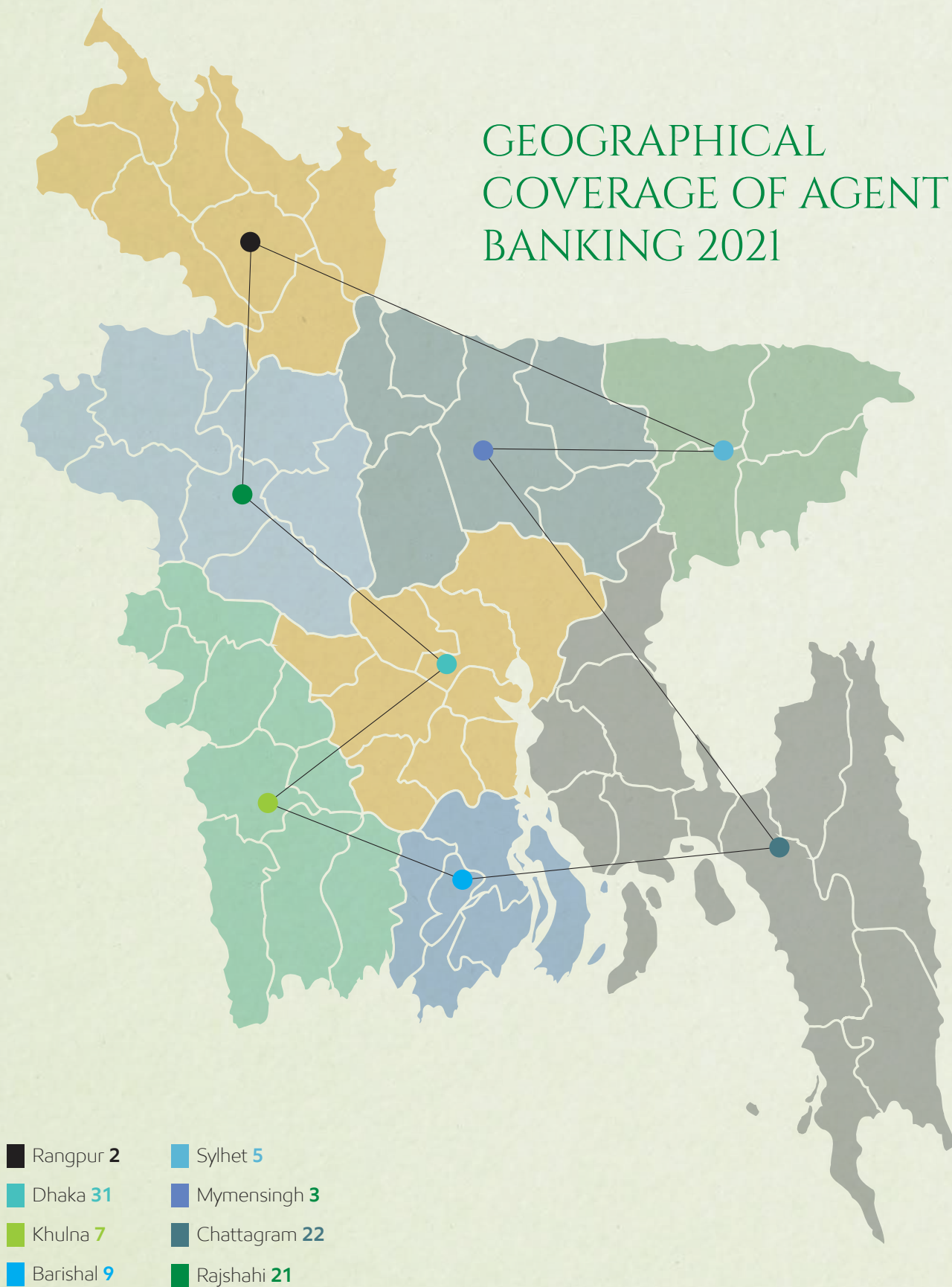
Shahjalal Islami Bank Limited has established and expanded Agent Banking Outlets and ATM Booths across the country to strengthen Financial Literacy program and take the Financial Literacy program in the spotlight and now the Bank owns 119 ATM Booths and 100 Agents Banking Outlets.



SJIBL'S 100 AGENT BANKING OUTLETS OFFER



GEOGRAPHICAL COVERAGE OF AGENT BANKING 2021





Establishment of Agent Banking Outlets and ATM Booths across the country for serving under-served and unbanked group



EMBRACING THE COMMUNITY

Community Engagement	116
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GRI 102-13

COMMUNITY ENGAGEMENT

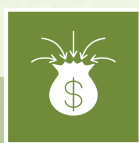
We seek to contribute to the development of local economic aspects of the national vision and strategies through dedicated investment, sponsorship, and donation programs through our Corporate Social Responsibility (CSR) drives. This year's initiatives provided continuous support to the community through human, educational, climate change mitigation and adaptation, disaster management, sports and cultural activities, in line with the Shahjalal Islami Bank Limited's vision on positive community impacts, as well as proactively contributed protecting, helping, and supporting our local community during the pandemic. We are committed to creating shared value with the community by promoting a high quality of life, reducing economic and social inequality, and developing the community in a creative and sustainable manner while promoting the inherent value in culture and the arts. Shahjalal Islami Bank Limited is constantly pursuing its Corporate Social Responsibility (CSR) activities with utmost importance by embarking upon diverse activities particularly in the fields of education, poverty alleviation, healthcare, and sponsoring environment friendly initiatives for the greater well-being of the present and future generations because we do strongly believe that building a strong community helps and supports our sustainable business operations.

Management and Operational Guidelines:

Shahjalal Islami Bank Limited's charitable arm known as Shahjalal Islami Bank Foundation, chaired by Our Hon'ble Director, carries out several philanthropic and social outreach programs and the Bank has assigned its Public Relations Department & Foundation to be the main body responsible for the annual planning on community development activities as well as deploying the necessary resources. The Foundation, which was established in 2006 is being monitored, guided, supervised and reviewed by the Sustainable Finance Unit (SFU) of the Bank with a view to carrying out CSR activities smoothly with related CSR Budget which is prepared by the SFU. The Bank has established its own policy on Corporate Social Responsibility (CSR) to set clear directions, principles and frameworks with the aim of having a positive impact on the community and society at large. The Corporate Social Responsibility (CSR) Policy seeks to promote awareness, understanding and upholding of the values and importance of community development among all employees of the Bank, while providing them with opportunities to participate in community development activities. The Corporate Social Responsibility (CSR) Policy shows a clear route to the Foundation for performing CSR activities by taking the following objectives set by the policy as well as the SFU into consideration:



Enhancement of
Social welfare and
activities



Financial Inclusion
& Literacy



Compliance with
Regulations



Strengthening
relationship with
the stakeholder

Sustainable Finance Unit (SFU) and Foundation of the Bank work in collaboration to ensure community welfare and deliver sustainable programs that yield positive long-term impacts and facilitate and cover

the activities that meet the needs of the general public and the communities by reducing economic and social inequality within the boundary in which the Bank conducts its activities.



COMMUNITY DEVELOPMENT ACTIVITIES IN 2021

Shahjalal Islami Bank Limited is continuously pursuing its Corporate Social Responsibility activities and has strengthened community development activities in accordance with its Corporate Social Responsibility strategy and with due consideration of the United Nations Sustainable Development Goals as well as building a new relationship with customers and alliances. Shahjalal Islami Bank Limited ensures that community activities that the Bank sponsors or engages in will benefit the community and society

as well as the employees. We have espoused and embarked upon diverse activities particularly in the areas of education, poverty alleviation, healthcare, and sponsoring environment friendly initiatives for the greater benefit of the present and future generations. In 2021, Shahjalal Islami Bank Limited conducted CSR activities proactively following the previous glorious record and touched every sector under CSR as specified by Bangladesh Bank which shows our strong commitment to our community and society:



Health

BDT 51.48 M



Education

BDT 23.31 M



Environment & Disaster Management

BDT 33.39 M



Others including PM's Relief Fund

BDT 56.24 M



Blanket

BDT 68.51 M





Health

To combat against COVID-19 pandemic, the government and the central Bank have prioritized health sector over other specified sectors defined by Bangladesh Bank for addressing adverse impact of pandemic, and Shahjalal Islami Bank Limited emphasized on health sector and the Foundation of the Bank took initiatives to provide medical assistance and equipment to Doctors, medical aid workers, nurses and the group of people who have been working in the frontline and the students across the country by giving the following necessary medical items:

Personal
Protective
Equipment
(PPE) kits

N-95
protective
masks

Surgical
masks

Hand
sanitizers

Hand
gloves



Shahjalal Islami Bank Limited's contribution in health sector for combatting COVID-19



Medical assistance provided to Sustainable Finance Department, Bangladesh Bank for responding humanitarian call sought by needy group



Providing financial assistance through Bangladesh Bank



Freezing Van was donated to Al Rashid Foundation

In 2021, the Bank contributed BDT51.48 Million for combatting pandemic situation as well as providing medical support and assistance to vulnerable people and developing the nation's healthcare systems.

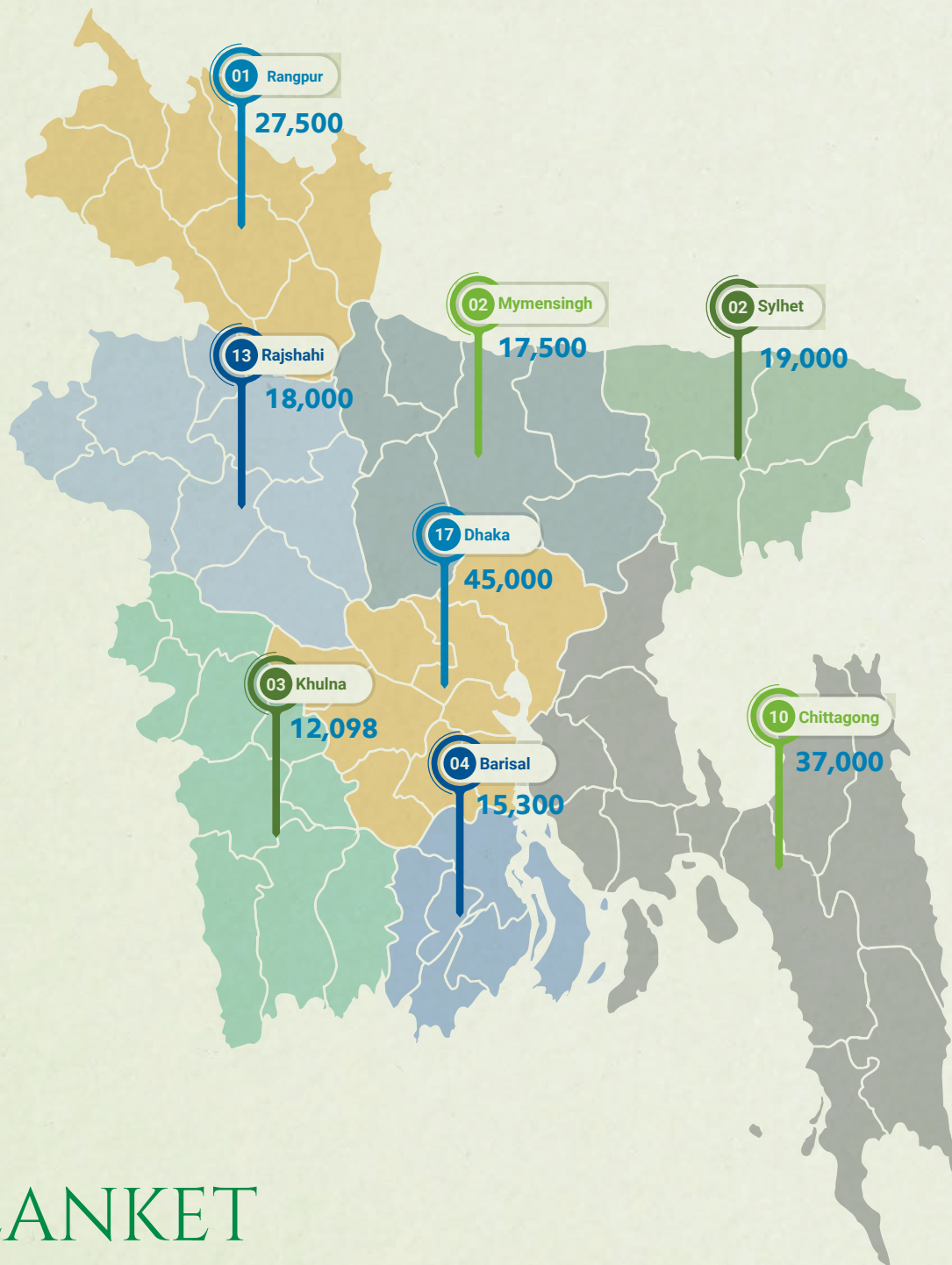


Education

Supporting educational opportunities for students in rural areas is one of the Bank's CSR missions in which the Bank has always participated. As part of regular CSR activities, Shahjalal Islami Bank Limited has provided stipends or scholarships to meritorious students of SSC, HSC, and varsity going students. Due to COVID-19 pandemic, when all educational institutions were shut down, Shahjalal Islami Bank Limited had looked after the students who lost their tuitions by granting a monthly amount. In September, 2021, the pandemic situation got improved and the educational institutions started to be opened and the academic activities were operated at the full rhythm and Shahjalal Islami Bank Limited conducted CSR programs in the relevant area in full swing by distributing anti-COVID protective equipment to the educational institutions and granting stipends and scholarships to the meritorious students which indicates that we promote quality education for all and provide marginalised students with stipends and scholarships that enhance the provision of education to all. Our education based initiatives focus on enhancing curriculum-content for school, college, and varsity students and providing adequate educational and academic support for skills development. This year, the Bank invested BDT 23.31 million into education programs and reach out and rise quality education.



Shahjalal Islami Bank Limited contributed BDT23.31 million for promoting and patronizing quality education for all



BLANKET DISTRIBUTION

Winter season brings harsh consequences in the northern region of our country every year and the intensity of the winter causes an intolerable and unbearable impact to the affected people. Shahjalal Islami Bank Limited has come forward to deal with such worst situation by distributing adequate number of blankets to the victims of the severity of the cold. In 2021, Shahjalal Islami Bank Limited has distributed 191,398 number of blankets among the needy and vulnerable group in the eight divisions which is shown below:



24

Others including
PM's Relief Fund

29%

Blanket

11%

Education

14%

Environment
& Disaster
Management

22%

Health

CONTRIBUTION TO SOCIETY



Contribution to Prime Minister's Relief Fund

Shahjalal Islami Bank Ltd. donated blankets to the Hon'ble Prime Minister's Relief Fund for distributing among winter affected poor People on 28th October 2021 at Prime Minister's Office. The Hon'ble Prime Minister Sheikh Hasina took part in the ceremony through Digital Platform. The Director & Chairman of Executive Committee of Shahjalal Islami Bank Ltd. Dr. Anwer Hossain Khan, MP and the Chairman of Bank Foundation Engineer Md. Towhidur Rahman handed over the Sample of a Blanket to the Principal Secretary of Hon'ble Prime Minister Dr. Ahmad Kaikaus.



Donation of Freezing Ambulance to Al-Rashid Foundation

Shahjalal Islami Bank Limited donated Freezing Ambulance to Al-Rashid Foundation. The Chairman of the Bank Mr. Md. Sanaullah Shahid handed over the key of Freezing Ambulance to Mr. M. Shahadat Hossain Taslim, the Chairman of Al-Rashid Foundation on 22nd September 2021.



Donation of ambulance to Bangladesh Cancer Society Hospital & Welfare Home

Shahjalal Islami Bank Limited donated an ambulance to Bangladesh Cancer Society Hospital & Welfare Home.

Promoting local Sports & Culture, Arts and country's history



Distribution of reliefs

Shahjalal Islami Bank Limited distributed relief materials among the unemployed people at Begumganj, Noakhali District.



Relief distribution among destitute people

Shahjalal Islami Bank Limited distributed relief among destitute people in Faridpur.

Relief Distribution Activities in 2021





SJIBL'S COMMUNITY INVESTMENT IN 2021 AT A GLANCE

CSR EXPENDITURE (January to June):

1. Social Projects

Sl. No.	Sectors/Initiatives	BDT in Million	No. of beneficiaries
1.	Education	12.10	797+
2.	Health	30.20	47,261+
3.	Disaster Management	85.20	100,318+
4.	Environment	3.70	19+
5.	Culture Welfare	5.20	350+
6.	Other sectors defined by Bangladesh Bank	4.70	Unlimited
Total Amount=		141.10	148,395+

Education

a. Direct Grant/Aid

Level of Study	Scholarship		Stipend	Lump grant		Total No. of beneficiaries/ students
	For female student (BDT in Million)	For male student (BDT in Million)	For physically/ mentally Challenged student (BDT in Million)	For purchasing Books/reading Materials (BDT in Million)	For purchasing clothing/ laptops/others (BDT in Million)	
Graduation	3.53	5.29	--	--	--	788
Other (as defined by the Central Bank)	0.61	0.13	--	--	--	09
Total	4.14	5.42	--	--	--	797

b. Infrastructure Development

Activity	Area/Location of the institution	Institution		Equipment/ material		Amount (BDT in Million)
		Name	Number	Name	Number	
Construction of building/class room/laboratory etc.	Gohar Barishal	a) Choygram Nurani Talimul Quran Kowmi & Hafizia MadrashYatimkhana & Lillah Boading	--	--	--	0.01



Activity	Area/Location of the institution	Institution		Equipment/ material		Amount (BDT in Million)
		Name	Number	Name	Number	
	Tasullo Bangla Bazar, Nababganj, Dhaka	b) Goshpara Voadubi Nurani Hafizia Kowmi Madrasah	--	--	--	0.10
	Shikaripara Nababganj, Dhaka	c) Shikaripara T.K.M High School	--	--	--	0.10
	Kawniakandi Nababganj, Dhaka	d) Kawniakandi Jamia Islamia Darussalam Madrasah & Atimkhana	--	--	--	0.20
	Bakail Alfadanga, Faridpur	e) Bakail Atimkhana & Madrasah	--	--	--	0.25
Procurement of any study/research equipment/ materials	Khepupara Kolapara, Patuakhali	a) Khepupara Nesaruddin Fazil Madrash	--	Laptop	02	0.10
	Nagori Kaliganj, Gazipur	b) Sant Nicholas School & College	--	--	--	0.30
	Nababganj Dhaka	c) Baruakhali Dot Com	--	--	--	0.10
	Khepupara Kolapara, Patuakhali	d) Khepupara Nesaruddin Fazil Madrash	--	Almirah Table Chair Book	02	0.10
Operating expense to run any educational institution (partially/ wholly)	Pabriachala Gazipur	a) Jami'a Islamia Emdadul Ulum & Al- Emdad Atimkhana	--	--	--	1.00
	Demra Dhaka	b) Naraibagh Islamia Madrasah	--	--	--	0.20
	New DOHS, Moakhali, Dhaka	c) PFDA-Vocational Training Centre Trust	--	--	--	0.10
Total Amount						2.56

HEALTH

a. Direct Grant/aid

Activities	No. of Patient	Amount (BDT in Million)
Curative treatment of individual patients	32	2.90
Free medicine/health equipment to individual patient	47,229	22.50
Total Amount		25.40



b. Infrastructural Development

Activity	Area/Location of the institution	Institution		Equipment/material		Amount (BDT in Million)
		Name	Number	Name	Number	
Procurement of any medical equipment/ materials	Mohammadpur Dhaka	Al- Markajul Islami	--	Freezing Van	01	2.05
	Rajnagar Moulavibazar, Sylhet	RajnagarUpzila Health Complex	--	--	--	1.20
	Kolapara Patuakhali	Kolapara Upzila Health Complex	--	--	--	0.10
	Aklaspur, North Matlab , Chadpur	Upzila Health Complex & Aklaspur Union Health & Family Planning Center	--	--	--	0.89
Operating expense to run any hospital/ clinic/diagnostic center (partially/wholly)	Laxmipur	Laxmipur Diabetic Hospital	--	--	--	0.30
	44/1, Bangabandhu Avenue, Dhaka	NATAB	--	--	--	0.20
Total Amount						4.74

CSR EXPENDITURE (July to December):

1. Social Projects

Sl. No.	Sectors/Initiatives	Amount (BDT in Million)	No. of beneficiaries
	Direct social interventions conducted by the bank, both as occasional/remedial measures or sustainable/continuous projects.	--	--
1.	Education	7.40	400+
2.	Health	77.60	144,819+
3.	Environment	2.20	15,000+
4.	Others (As identified by the Central Bank)	0.10	Unlimited
Total Amount		87.30	160,219+

Education

a. Direct Grant/Aid

Level of Study	Scholarship		Stipend	Lump grant		Total No. of beneficiaries/ students
	For female student (BDT in Million)	For male student (BDT in Million)	For physically/ mentally Challenged student (BDT in Million)	For purchasing Books/reading Materials (BDT in Million)	For purchasing clothing/ laptops/others (BDT in Million)	



Level of Study	Scholarship		Stipend	Lump grant		Total No. of beneficiaries/ students
Graduation	2.11	3.21	--	--	--	393
Others (As identified by the Central Bank)	0.23	0.02	--	--	--	07
Total Amount	2.34	3.23	--	--	--	400

b. Infrastructure Development

Activity	Area/Location of the institution	Institution		Equipment/ material		Amount (BDT in Million)
		Name	Number	Name	Number	
Construction of building/ class room/ laboratory etc.	West Merul Badda, Dhaka	a) Baitun Nur Jame Masjid	--	--	--	0.15
	Bajitpur Upazila Kishoreganj	b) Nawab Kachari Jame Masjid	--	--	--	0.20
	Aklaspur, Motlab Uttar, Chadpur	c) Aklaspur Dali Bari Jame Masjid	--	--	--	0.15
	Aklaspur, Motlab Uttar, Chadpur	d) Poschim Aklashpur Jame Masjid	--	--	--	0.13
	Rajshahi	e) Bankers Club Rajshahi	--	--	--	0.30
	Arpara Gopalganj	f) Arpara Modinatul Ulum Kowmi Mohila Madrasa & Atimkhana				0.20
	Chokroda Narsingdi	g) Tahera Amin Mohila Madrasa				0.60
Procurement of any study/ research equipment/ materials	Tangi	a) Dolipara Jamia Emdadia Arabia Madrasa	--	Tab	01	0.01
	Nawabganj, Dhaka	b) Bright Future Company Limited	--	--	--	0.05



Activity	Area/Location of the institution	Institution		Equipment/material		Amount (BDT in Million)
		Name	Number	Name	Number	
Operating expense to run any educational institution (partially/ wholly)	West Lautoli, Noakhali	a) Al-Arafah Rahmania Madrasa & Atimkhana	--	--	--	0.01
Total Amount						1.80

HEALTH

a. Direct Grant/aid

Activities	No. of Patient	BDT in Million
Curative treatment of individual patients	29	4.58
Free medicine/health equipment to individual patient	144,790	61.99
Total Amount		66.57

b. Infrastructural Development

Activity	Area/Location of the institution	Institution		Equipment/material		BDT in Million
		Name	Number	Name	Number	
Construction of hospital/ clinics etc.	--	--	--	--	--	--
Procurement of any medical equipment/ metarials	Sher-e-Bangla nagar Dhaka	Al-Rashid Foundation	--	Freezing Van	01	2.08
	120/3 C Technical Mor Mirpur, Dhaka	Bangladesh Cancer Society Hospital & Welfare Home	--	Ambulance	01	1.90
	Kolapara Patuakhali	Kolapara Upzila Health Complex	--	PPE Hexisol, Face Mask		0.37
	Fenchuganj Sylhet	Upazila Health Complex, Fenchuganj	--	--	--	1.07
	Kolapara Patuakhali	Doctors Care Diagonestic Center	--	Ambulance	01	1.88
	120/3 C Technical Mor Mirpur, Dhaka	Bangladesh Cancer Society Hospital & Welfare Home	--	Samsung Digital High-End Dedicated 4D Ultrasound Scanner & Color Dopler, Model-HS 70A	01	3.85
Total Amount						11.14



VEHICLES OF SJIBL'S SOCIAL WELFARE

Shahjalal Islami Bank Limited as a responsible corporate citizen, participates in Corporate Social Responsibility activities every year and contributes to the community by investing significant amount. Shahjalal Islami Bank Limited uses its tools for planning, conducting and implementing CSR activities thoroughly:



Our employees also take part in the development of the society through their contribution to benevolent fund namely "Cash Waqf" and the accumulated fund from Shahjalal Islami Bank Limited Cash Waqf have been used for the establishment and renovation of mosque, madrasa, and also for the flourishing of Islamic tradition and culture. Shahjalal Islami Bank Limited offers lucrative deposit rate on cash waqf account to promote philanthropy among mass people.

Cash Waqf as on December 31, 2021 stood at:



Shahjalal Islami Bank Limited also contributes to other sectors selected for conducting activities under CSR which include but not limited to:





The number of individuals and institutions/organizations that have been benefited from the CSR of Shahjalal Islami Bank Limited in the last 02 years are as follows:

Year	Beneficiary	
	Individuals	Institutions/Organizations
2021	280,388	108
2020	230,816	32

Case Study:

Financial Assistance to a cancer affected school teacher:

A private school teacher named Rejina Hossain applied to Shahjalal Islami Bank Limited Foundation through Bangladesh Bank for financial assistance for her cancer treatment. Rejina is resident of Malibagh Chowdhurypara and she belongs to a lower middle-class family. Treatment of cancer patient is usually an expensive one which requires buying expensive chemotherapy. As such, Bangladesh Bank wrote letter to seven banks including Shahjalal Islami Bank Limited to jointly bear the cost of her chemotherapy. Shahjalal Islami Bank Limited Foundation made an investigation into her status and found out that she was severely ill and her family was not in a position to bear the cost of her medical treatment. But she needed 17 chemotherapy within August, 2021. Each chemotherapy will require BDT84 thousand (approx.). As such, Shahjalal Islami Bank Limited management approved BDT1.00 lac for the medical treatment of the patient. GM of Sustainable Finance Department of Bangladesh Bank Mr. Morshed Millat handed over the Pay Order as donation to the family of the concerned

patient. The patient had taken chemotherapy from a private hospital with the money donated to her. Later family members of the Rejina Hossain including herself expressed their gratitude to Bangladesh Bank, Shahjalal Islami Bank Limited and all other banks that extended helping hands for her treatment.

Financial Assistance to a lymphoma patient in Rangpur

Md. Mahmudul Hasan is a resident of Rangpur. Recently he was diagnosed by concern specialist Dr. ATM Quamrul Hasan and was found lymphoma (stomach cancer). Considering physical condition of the patient, his doctor suggested 08 chemotherapy in first phase and 02 other chemotherapy in second phase. As such, he needed 70 to 80 thousand taka for per chemotherapy. Md. Mahmudul Hasan belongs to a lower income group and he is the only earning member of the family. He has four children apart from his old mother to take care. For this, it is quite impossible for him alone to bear cost of treatment of cancer. As a result, Shahjalal Islami Bank Limited Foundation has assisted him financially considering it a humanitarian cause. Shahjalal Islami Bank Limited Foundation got an approval of BDT1.00 lac to donate him in the form of Pay Order in the month of February, 2021.



ENVIRONMENTAL MANAGEMENT

Environmental Management	133
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Optimizing Resource efficiency	139



GRI 300

ENVIRONMENTAL MANAGEMENT

Climate change and other environmental issues are having an increasingly large impact on the livelihood of people and the way in which they live. The Bank believes that businesses should play a role in conserving natural resources and the environment as well as being mindful of their environmental involvement and preparing proper and adequate mitigation plans. Understanding that climate change is one of the most critical challenges facing the planet, threatening the environment, societies, and economies, Shahjalal Islami Bank Limited is committed to protecting the natural environment and managing its environment impacts. At Shahjalal Islami Bank Limited, a commitment to reducing our environmental impact is now a part and parcel of our future-focused business strategy by introducing digital transformation which is a key driving force behind this, reducing our reliance on material resources through our transition to resource and energy efficient digital alternatives.



Shahjalal Islami Bank Limiteds e-account launching ceremony



GRI 307, 308

ENVIRONMENTAL STEWARDSHIP

MANUAL APPROACH



Cheque based transaction



Branch Banking



Letter communication



Manual ACR reporting



Meeting physically



Conventional GL rate



Training & Workshop Physically



Conventional Account



Reporting manually



Manual Requisition for Stationery Items



Disclosure through newspaper



Client Communication Physically



Manual HR database



Manual KYC



Manual attendance



Phone Reception



Account Statement

DIGITAL TRANSFORMATION



Card based Transaction



Email communication



Meeting digitally



Zoom-based Training & Workshop



Development of MIS for different reporting to Bangladesh Bank



Disclosure through newspaper and website



EHRM database



e-KYC



Biometric thump impression



Call Center



e-Statement, SMS Banking



App-based Digital Wallet and Internet Banking



e-ACR reporting



Dynamic GL rate



e-Account



Online Requisition System for Stationery Items (Under process)



Whatsapp Banking (Under process)



In 2021, Shahjalal Islami Bank Limited has successfully conducted tree plantation program through its 50 Branches across the country to minimize the negative externalities of the environment particularly in the rural area, to reduce land contamination and erosion of upper layer of the land.



Trees Planted
25,000



Trees Distributed
5,000

Different types of fruits, forests and herb plants such as Teak, Mahogany, coconut, guava, nim have been planted based on the nature of the weather and soil of the selected location along with ensuring the primary protection by building fence around the plant. Around 25,000 number of trees have been planted and around more than 5,000 plants have been distributed among the students from different educational institutions.

Tree Planation Program-2021





Our effort to minimize our environmental impact are visible in the year-on-year reduction of the consumption of electricity and water, along with that of waste generated. Attributed to the COVID-19 pandemic, a large part of the reductions achieved in 2021 can be associated with Working From Home (WFH) mandates. Notwithstanding this, we are committed to saving electricity, water and other natural resources on an ongoing basis, supported by our sustainable strategy and national and international guidelines to encourage conservation. Realizing

that it must take the environmental impacts from its business seriously, the Bank took concrete action to more efficiently utilize resources and GHG emissions. Furthermore, the Bank has a dedicated team to be responsible for auditing and assessing its energy management approach to support and ensure that environmental and energy conservation initiatives are being successfully carried out. The team continuously take action to perform and implement environment friendly initiatives which include but not limited to:

Undertake environmental and energy conservation efforts

Liaise with related parties

Organise training programs and activities

Gather information, supervise, monitor and examine

Evaluate and report performance

Review policies and gather information

Report to Executive Committee, Board Risk Management Committee, BoD

Environmental impact of our Internal Operations	Unit	2021
Direct and Indirect emissions	kiloton (kt)	4,410.10
Total Electricity Consumption	kwh	71,536,619.07
Total Fuel Consumption (Generator)	L/hr	4,445,810.44
Total Fuel Consumption (Car used for official purpose)	L/hr	5,639,068.00
Total Paper Consumption	Kg	4,867,872.45
Total Waste Produced (Solid)	Kg	76,100 (HO)
Total Waste Produced (Liquid)	L	19,663,000.00 (HO)



GRI 102-11

PRECAUTIONARY APPROACH

Approach to preventing environmental damage usually require taking into account the available sound knowledge asserting the risk, thus applying the preventive principle, where the activities that might cause environmental harm are identified, but it is not certain that they will occur. Still precautionary approach is being followed meticulously by the Bank to address the environmental hazards and degradation. The Bank has been adopting precautionary actions on environmental issues by rendering uninterrupted services towards its stakeholders. Such precautionary actions help the Bank to address emerging and unsolved environmental threats and uncertainties smoothly.



Tree Plantation

The Bank conducts tree
plantation program
every year



Waste Management

Having smooth
liquid and solid
waste management
system



Rainwater Harvesting System

Preservation and
usage of the rain
water



LEED Certified Green Building

The Bank has LEED
Certified Green Building
with Rooftop gardening



Solar Panel Infrastructure

The Bank has established
branches, ATM Booths,
Agent Banking Outlets
featured with solar power



Addressing Climate change

Strengthening
financing in the
climate prone area



GRI 302-1, 302-2, 302-4, 302-5

OPTIMIZING RESOURCE EFFICIENCY

Shahjalal Islami Bank Limited strives to align the bank's strategies with its target goals and resource allocation in a consistent and coherent manner. Each year, structural amendments are made to improve institutional efficiency. This section provides a detailed breakdown of resource allocation strategies and their effects on capital and the business model. The financial performance analysis is provided under Management Review and Analysis, which is summarized in the context of the operating environment. The capital-wise resource allocation strategy of Shahjalal Islami Bank Limited is given below:



Financial Capital

Strategic Priorities

- High quality asset growth
- Rationalize cost of deposit and operating expenses
- Sustainable growth of income

Initiatives

- Streamlined investment operations and continuous follow up
- Obtain low cost deposit and avoid unnecessary operating expenses
- Introduced new products and restructuring existing products

KPI's

- Non-performing investment (NPI)
- Cost to income ratio
- Net profit margin
- Profit after taxation (PAT)
- Portfolio growth
- No. of awards achieved for financial reporting



Human Capital

Strategic Priorities

- Create a performance driven Culture
- Develop a highly motivated, qualified and experienced team-Provide safe and healthy work
- Environment

Initiatives

- Linking performance with reward
- Attract qualified employees and provide learning opportunities
- Recruit employees in line with growth of business
- Arrange effective and timely training programs

KPI's

- No. of employees promoted
- No. of new job opportunities created
- No. of Training program arranged and total training hours



Manufactured Capital

Strategic Priorities

- Increase customer touch point
- Provide a superior customer experience
- Deliver operational excellence by improving efficiency

Initiatives

- Expansion in geographical presence
- Relocation with modern layouts
- Investment in IT infrastructure and digitalization

KPI's

- No. of new branches, ATMs and agent banking outlets opened
- Capital expenditure on IT infrastructure
- Automation of system, process.



Social and relationship Capital

Strategic Priorities

- Experience superior customer service
- Improve customer loyalty
- Sustain investor confidence
- Supplier networking

Initiatives

- Continuous training on service excellence
- Uninterrupted Customer support during pandemic
- Strengthen partnerships with suppliers
- Engaging with the community

KPI's

- Number of customer complaints
- Customer retention ratio
- No. of MOUs signed during the year
- Investment in community development projects



Intellectual Capital

Strategic Priorities

- Effective usages of social media
- Improve service quality and data security
- Enhance brand value and reputation

Initiatives

- Upgrade network infrastructure and communication platform
- SMS alerts for every transaction
- A robust online platform for customers
- Advertising and promotions on brand building

KPI's

- Investment in communication and public relation
- No. of customers using online platform
- Increasing Brand image



Natural Capital

Strategic Priorities

- Reduction of carbon footprint
- Use of energy efficient technology and use of renewable energy
- Responsible waste management Practices

Initiatives

- Formulate strategies aligned with UN SDGs
- Awareness programs on environment protection
- Introduction of wastage management system in Head Office

KPI's

- Carbon footprint
- No. of solar powered branches and ATMs
- No. of trees planted
- No. of awareness programs conducted

Resource Allocation

(BDT in million)

Particulars	Shahjalal Islami Bank Limited
Total Assets	313,731
Total General Investment	216,587
Total Investment in Share and Securities	36,268
Total Deposit	217,289
Total Placement from Banks	32,436
Investment Income	13,805
Profit paid on Deposit	7,382
Net Investment Income	6,424
Income from Investment in Share and Securities	1,192
Commission, Exchange and Brokerage	2,239
Other Operating Income	1,046
Total Operating Income	10,901
Total Operating Expenses	4,897
Profit before Provision and Taxes	6,004
Net Profit after Tax	2,586
EPS	2.51
Number of Employees	2,741
Number of Branches	132
Number of Agent Banking Outlet	100
Number of ATM	119
Number of Foreign Correspondent	436
Number of Client	1,080,759



ESG ASPECTS

ESG Aspects at a glance

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ESG ASPECTS AT A GLANCE

Economic Aspects:

GRI 201: Economic Performance:

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	201-1	Total revenues earned	BDT	23,618,314,463	20,223,921,381	18,667,375,405
2	201-1	Total revenues earned from interest on financial loans	BDT	20,290,692,595	17,033,748,679	14,190,203,720
3	201-1	Total revenues earned from dividends from shareholdings	BDT	47,139,321	46,331,181	295,277,342
4	201-1	Types of physical assets, such as property, infrastructure, and equipment	Text	Land, Building, Furniture & Fixtures, Office Equipment, Computer & Network Equipment, Vehicles, Books		
5	201-1	Total monetary value of physical assets, such as property, infrastructure, and equipment	BDT	3,998,365,644.00	3,976,886,693.64	3,812,102,655.22
6	201-1	Types of intangibles, such as intellectual property rights, designs, and brand names	Text	Core Banking Software, Other Software, Goodwill		
7	201-1	Total operating costs	BDT	4,640,852,765	4,710,678,782	4,897,027,926
8	201-1	Total cost for property rental	BDT	279,851,247	285,445,961	292,195,828
9	201-1	Total cost by facilitation payments	BDT	87,464,434	82,891,894	86,043,246
10	201-1	Total cost by payments for contract workers;	BDT	91,119,791	91,512,826	95,911,422
11	201-1	Total wage distributed	BDT	2,931,336,476	3,001,854,417	3,004,147,148
12	201-1	Total training costs	BDT	7,147,037	2,250,680	2,126,090
13	201-1	Regular contributions, such as to pensions, insurance, company vehicles, and private health	Text	Provident Fund, Gratuity Fund, Social Security Fund	Provident Fund, Gratuity Fund, Social Security Fund, Health Insurance	Provident Fund, Gratuity Fund, Social Security Fund, Health Insurance
14	201-1	Total interest on all forms of debt and borrowings (long-term & short-term debts);	BDT	13,112,331,753	11,418,428,603	7,381,645,027
15	201-1	Contributions to charities, NGOs and research institutes (unrelated to the organization's commercial research and development);	Text	As per CSR Policy of Bangladesh Bank, Shahjalal Islami Bank Limited has allocated 30% to Health, 30% to Education, 20% to Environment & Climate Change Mitigation & Adaptation, 20 % to Others Specified Sectors, Concessional financing to NGO.		



SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
16	201-1	Funds to support community infrastructure, such as recreational facilities	Text	Helping the society for the establishment of Club, Library, park		
17	201-1	Direct costs of social programs, including arts and educational events	BDT	220,170,000.00	323,480,000.00	232,280,000.00
18	201-2	Description of the risk or opportunity and its classification as either physical, regulatory, or other;	Text	Major Risks are Asset Liability Risk, Credit Risk, Foreign Exchange Risk, Money Laundering Risk, Internal Control & Compliance Risk and ICT Security Risk. Classification: Regulatory. Major Opportunities include Financial Derivatives, Participation in Capital Market, Offering products and services at competitive rate, Exploring new Business areas, Reaching Target Groups easily through new branch opening.		
19	201-2	Description of the overall impacts associated with the risk or opportunity	Text	Impacts associated with the Risk: We strive to addressing risk and minimizing the risk by keeping it at its tolerable level and implementing Policy for Six Core Risks individually. Major impacts are Bad Investment, low quality of risks, volatility of exchange rates , breach and theft of data & hacking. Impacts associated with the Opportunity: Opportunities are identifying customer needs and demands, launching new products and services and mainstreaming core banking to the every sphere of the society. Major impacts are increasing profitability, strengthening financial stability, creating positive impressions.		
20	201-4	Total financial assistance received from any government (subsidies)	BDT	-	-	50,633,282.00
21	201-4	Total financial assistance from Export Credit Agencies (ECAs);	BDT	1,905,775,000.00	2,048,232,000.00	2,384,833,000.00
22	201-4	Types of financial incentives	Text	Cash incentives received against Export from Bangladesh Bank		

GRI 203: Indirect Economic Impacts

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	203-1	Total costs of infrastructure investment	BDT	7,169,490,000.00	6,823,340,000.00	8,870,342,000.00

GRI 204: Procurement Practices

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	204-1	Total procurement budget	BDT	306,500,000.00	336,600,000.00	448,800,000.00
2	204-1	I.T .related procurement budget	BDT	301,620,000.00	520,000,000.00	550,000,000.00
3	204-1	Total procurement budget	BDT	608,120,000.00	856,600,000.00	998,800,000.00



SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
4	204-1	Number of local suppliers dealt with	No.	135	135	188
5	204-1	Money spent on local suppliers:				
6	204-1	Paid to suppliers on Fixed asset procurement	BDT	262,800,000.00	248,200,000.00	142,900,000.00
7	204-1	Paid to suppliers on Computer Expense	BDT	31,895,125.52	30,251,044.90	38,779,590.88
8	204-1	Expense to service provider of Card	BDT	5,998,515.66	8,523,938.29	9,463,474.25
9	204-1	Paid to suppliers on Stationery Expense	BDT	44,044,306.92	36,105,637.53	33,098,116.11
10	204-1	Paid to vendor of Newspaper & Magazine	BDT	25,360,828.90	13,040,658.91	13,600,082.94
11	204-1	Paid to Security Service provider	BDT	74,137,786.72	81,711,565.83	83,453,813.37
12	204-1	Paid to enlisted Fuel Station for Car Fuel	BDT	66,466,988.99	4,529,028.46	5,639,068.00
13	204-1	Paid to 3rd party Cleaners salary	BDT	31,363,200.00	31,363,200.00	31,363,200.00
14	204-1	Total money spent on local suppliers	BDT	542,066,752.71	453,725,073.92	358,297,345.55
15	204-1	Percentage of budget utilized		89%	53%	36%
16	204-1	Ratio of local suppliers and total suppliers	x:y	All Suppliers are local Suppliers		

GRI 205: Anti-Corruption

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	205-2	Number of trainings provided to governance body members on anti-corruption	No.	3	3	6
2	205-2	Percentage of trainings provided to governance body members on anti-corruption	%	0.02%	6.67%	11.54%
3	205-2	Number of trainings provided to employees/workers on anti-corruption	No.	3	3	6
4	205-2	Percentage of trainings provided to employees/workers on anti-corruption	%	0.02%	6.67%	11.54%

**GRI 207: Tax**

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	207-1	Nature of organizational tax strategy including regulatory compliance	Text	Shahjalal Islami Bank Limited has adopted tax strategy as circulated and change time to time by National Board of Revenue	3	6
2	207-1	Description of the governance body or executive-level position within the organization that formally reviews and approves the tax strategy	Text	Tax governance is usually dealt by Senior Management Team (SMT) . Any changes in taxation is intimated to the Board of Directors of Shahjalal Islami Bank Limited for their information and guidance.	6.67%	11.54%
3	207-4	Total tax paid	BDT	2,183,027,093.00	1,562,734,975.00	900,000,000.00
4	207-4	Describe the organizational tax jurisdictions	Text	Large Taxpayers Unit (LTU)	Large Taxpayers Unit (LTU)	Large Taxpayers Unit (LTU)

Environmental Aspects:**GRI 301: Materials**

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	301-1	Non-renewable materials used:	Kg/pcs/liter	-	-	-
2	301-1	Printer/Toner/Ribon	Number	3,192.70	2,427.43	3,038.58
3	301-1	Calendar (Wall & Desk)	Number/Pieces	173,000.00	185,000.00	171,000.00
4	301-1	Note Book	Number/Pieces	40,000.00	55,000.00	59,400.00
5	301-1	Computer Paper	Kg	42,177.07	36,165.34	45,072.89
6	301-1	Newspaper	Kg	68,029.93	25,775.00	906,672.13
7	301-1	ID Card	Number	351.00	418.00	535.00
8	301-1	Photocopy	Number	709,657.00	547,052.00	469,357.00
9	301-1	Debit Card	Number	41,719.00	40,996.00	39,120.00
10	301-1	Credit Card	Number	2,172.00	2,006.00	3,778.00
11	301-1	Cheque Book	Number	180,000.00	155,000.00	158,000.00
12	301-1	Deposit Book	Number	300,000.00	270,000.00	202,000.00
13	301-1	Letter/Courier	Number	23,800.00	15,310.00	15,345.00



SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
14	301-1	Account Opening Form	Number	390,000.00	300,000.00	240,000.00
15	301-1	Types of Non-renewable materials used	Number	89		

GRI 302: Energy

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	302-1	Total fuel consumption within the organization (non-renewable sources)	Liter	2,400	2,300	2,300
2	302-1	Type of fuel from Non-renewable sources	Text	Diesel	Diesel	Diesel
3	302-1	Type of fuel from renewable sources	Text	Solar system	Solar system	Solar system
4	302-1	Electricity consumption	KWH	209,384	196,467	192,676
5	302-1	Cooling consumption	KWH	1,446,616	1,351,533	1,358,324
6	302-1	Total energy consumption within the organization	KWH	1,656,000	1,548,000	1,551,000
7	302-2	Energy consumption outside of the organization,	Text	Organizations financed by Shahjalal Islami Bank Ltd as well as all vendors/suppliers of the bank.		
8	302-4	Description of energy consumption reductions	Text	<ol style="list-style-type: none"> 1. BMS System <ol style="list-style-type: none"> a. All HVAC equipment Start/ Stop with schedule time b. Chiller run with load basis. c. Chilled water control with set temperature by modulating valve. 2. All chiller, pump, cooling tower, fresh air AHU, ventilation fan motor are running with VFD for motor speed control. 3. Lighting system are operating by motion sensor and using 60%-day light within office time. 4. Using LED light for low electric power consumption. 5. Smart intelligence system for using lift operation. 6. Solar system which produce 25kw electricity per day this amount of electricity reduces from our total electricity energy consumption. 7. We are maintaining proper preventive maintenance (PM) all equipment for smooth operation. So no way to flow over current. 		

**GRI 306: Waste**

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	306-3	Sources of waste generation	Text	Paper , tissue paper, water, solid waste.	2,300	2,300
2	306-3	Total weight of waste generated	ton	1.Paper , tissue paper 1000kg, 2.Water 20,106,000 litter, 3.Solid Waste 72,270 kg	1.Paper, tissue paper . 900kg, 2.Water 17,623,000 litter, 3.Solid Waste 50,000 kg	1.Paper , tissue paper. 1100kg, 2.Water 19,663,000 litter, 3.Solid Waste 75,000 kg,
3	306-3	Yearly expenditure on Branch up keeping & Cleaning	BDT	20,271,071.63	36,634,511.09	40,817,481.14
4	302-1	Electricity consumption	KWH	209,384	196,467	192,676
5	302-1	Cooling consumption	KWH	1,446,616	1,351,533	1,358,324

GRI 307: Environmental Compliance

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	307-1	Number of non-compliance incidents	No.	0	0	0
2	307-1	Total fines paid due to non-compliance incidents	BDT	0	0	0
3	307-1	Number of non-monetary sanctions	No.	0	0	0
4	307-1	Necessary initiatives taken against non-compliance incidents	Text	No initiatives were taken as there were no non-compliance incidents		
5	307-1	Certificates, awards etc. other environmental compliance issues	International Award		3G Green Champion Award 2020, 3G Excellence in Sustainable Practices 2020	

Social Aspects:**GRI 401 : Employment**

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	401-1	Number of employees (Both Male & Female)	No.	Male: 2,224 Female: 428 Total: 2,652	Male: 2,215 Female: 442 Total: 2,657	Male: 2,284 Female: 457 Total: 2,741



SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
2	401-1	Number of employees (Based on Divisions of Bangladesh)	No.	1) Barishal: 50 2) Chattogram: 391 3) Dhaka: 1,896 4) Khulna: 107 5) Rajshahi: 73 6) Rangpur: 42 7) Sylhet: 93	1) Barishal: 52 2) Chattogram: 395 3) Dhaka: 1,878 4) Khulna: 112 5) Rajshahi: 77 6) Rangpur: 42 7) Sylhet: 101	1) Barishal: 49 2) Chattogram: 405 3) Dhaka: 1,955 4) Khulna: 104 5) Rajshahi: 82 6) Rangpur: 45 7) Sylhet: 101
3	401-1	Number of employees (Based on age group)	No.	1) Below 30 Years: 443 2) 30-40 Years: 1371 3) 40-50 Years: 657 4) Above 50 Years: 181	1) Below 30 Years: 384 2) 30-40 Years: 1331 3) 40-50 Years: 738 4) Above 50 Years: 204	1) Below 30 Years: 426 2) 30-40 Years: 1226 3) 40-50 Years: 863 4) Above 50 Years: 226
4	401-1	Number of Part time employees (Both Male & Female)	No.	0		
5	401-1	Number of employees in management/ supervisory positions	No.	272	270	297
6	401-1	Number of employees turnover (Both Male & Female)	No.	Male: 153 Female: 12	Male: 97 Female: 6	Male: 128 Female: 23
7	401-2	Number of employees (Both Male & Female covering life insurance)	No.	No insurance facility was available	2,657	2,741
8	401-3	Number of employees (Both Male & Female getting parental leaves)	No.	29	23	27
9	401-3	Number of employees (Both Male & Female returning after parental leaves)	No.	29	23	27
10	401-3	Number of employees (Both Male & Female not returning after parental leaves)	No.	0		
11	401-3	Parental support provided	Text	Bank provides 06 (six) months maternity leave with full pay for female employees and insurance facility.	Bank provides 6 (six) months maternity leave with full pay for female employees and insurance facility.	Bank provides 6 (six) months maternity leave with full pay for female employees and insurance facility.

**GRI 403 : Occupational Health & Safety**

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	403-2	Frequency of emergency drills	Frequency	Yearly	Yearly	Yearly

GRI 404 : Training & Education

SI no	Disclosure No.	Disclosures	Unit	Year - 2019	Year - 2020	Year 2021
1	404-1	Types of trainings provided	Text	1. General Banking, 2. Investment 3. Foreign Trade, 4. Money Laundering 5. ICT Security Awareness 6. Internal Control and Compliance in Banking Operations 7. Shariah Compliance in Islamic Banking Operations, 8. National Integrity Strategy and Good Governance in Banks 9. BASEL 10.Environmental and Social Risk Management 11. Negotiation Skills 12.Managerial Functions and Leadership 13. Sustainable Finance and Gender Equality 14. Fire Fighting Training	1. General Banking, 2. Investment 3. Foreign Trade, 4. Money Laundering 5. ICT Security Awareness 6. Internal Control and Compliance in Banking Operations 7. Shariah Compliance in Islamic Banking Operations, 8. National Integrity Strategy and Good Governance in Banks 9. BASEL 10.Environmental and Social Risk Management 11. Negotiation Skills 12.Managerial Functions and Leadership 13. Sustainable Finance and Gender Equality 14. Fire Fighting Training	1. General Banking, 2. Investment 3. Foreign Trade, 4. Money Laundering 5. ICT Security Awareness 6. Internal Control and Compliance in Banking Operations 7. Shariah Compliance in Islamic Banking Operations, 8. National Integrity Strategy and Good Governance in Banks 9. BASEL 10.Environmental and Social Risk Management 11. Negotiation Skills 12.Managerial Functions and Leadership 13. Sustainable Finance and Gender Equality 14. Fire Fighting Training
2	404-1	Number of employee (Both Male & Female getting training in the reporting period)	No.	6,742	9,903	10,370



SI no	Disclosure No.	Disclosures	Unit	Year - 2019	Year - 2020	Year 2021
3	404-1	Total number of training hours (Both Male & Female employees)	No.	1,645	332	608
5	404-1	Number of employee (In management /supervisory positions getting training in the reporting period)	No.	605	535	428
7	404-2	Types of skills grown because of training provided	Text	Enhancement of Banking knowledge and banking laws and regulations, adoption of due diligence, providing client service accurately and quickly		
8	404-2	Types of Transition assistance programs taken	Text	Offline	Online & Offline	Online & Offline
10	404-3	Access to skill improvement/ education trainings	Text	Synopsis Sharing in the CBS, case presentation	Synopsis Sharing in the CBS, case presentation	Synopsis Sharing in the CBS, case presentation

GRI 405 : Diversity & Equal Opportunity

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	405-1	Number of women in management / supervisory positions	No.	16	16	19
2	405-1	Carried out programs/ measures to fulfill equal opportunities at the facility	Text	Shahjalal Islami Bank Limited conducts workshop on Gender Equality each year to comply with regulatory requirement. Besides, Shahjalal Islami Bank Limited has adopted Board approved Women Anti-Harassment Policy. Shahjalal Islami Bank Limited follows the principle of recruiting minimum 20% women employee.		
3	405-2	Number of women in workers/employees	No.	428	442	457

GRI 406 : Non-Discrimination

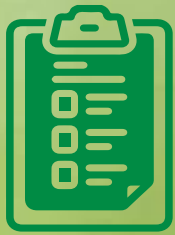
SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	406-1	Number of discrimination incident(s) reported	No.	0		
2	406-1	Status of review of reported incidents	Text	No Incident was found		
3	406-1	Corrective actions taken for reported incidents	Text	Since there was no incident, so no corrective action was taken.		

**GRI 418 : Customer Privacy**

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	418-1	Total number of complaints received	No.	31	33	22
2	418-1	Actions taken for the complaints received	Text	Resolved 31 nos. complaints i.e. 100%	Resolved 30 nos. complaints i.e. 91% and rest 3 is under process	Resolved 21 nos. complaints i.e. 95.5% and rest 1 is under process
3	418-1	Total number of identified leaks/theft/ loss of customer data.	No.	0		
4	418-1	Initiatives taken to secure customer privacy	Text	Letter of Thanks in order to verify address	Strong CBS, Two-step verification	Updating Shahjalal Islami Bank Limited ICT Security Policy, System upgradation, Introduction of secured Mobile Banking Apps

GRI 419 : Socioeconomic Compliance

SI No.	Disclosures no.	Disclosures	Unit	Year-2019	Year-2020	Year-2021
1	419-1	Number of non-compliance incidents	No.	0		
2	419-1	Total fines paid due to non-compliance incidents	BDT	0		
3	419-1	Number of non-monetary sanctions	No.	0		
4	419-1	Necessary initiatives taken against non-compliance incidents	Text	No non-compliance incidents Shahjalal Islami Bank Limited has ever experienced, so there is no need to take necessary initiatives on non-compliance incidents.		



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GRI CONTENT INDEX

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