

Journey Towards Sustainability



City Bank's journey towards sustainability began in January 2012 through its adoption of 'Policy Guidelines for Green Banking' of Bangladesh Bank (vide BRPD Circular 02/2011). With a view to ensure alignment with this policy, capacity, infrastructure, strategies and process developments began through the adoption of an environmental risk management (ERM) framework, expressed as one of the core risk mitigation strategies of the bank. In December 2013, for the first time ever, the bank developed a step-by-step procedure for facilitating the assessment of environmental risks, which is followed throughout the credit appraisal process, showcasing the bank's emphasis on environmental sustenance and sustainability.

In June 2016, City Bank went a step further and knitted social risk criteria into its credit appraisal process and also adopted IFC Performance Standards. Besides, the bank also expanded its E&S risk rating system by introducing a comprehensive environmental and social management system (ESMS) to broaden its commitment to sustainability. At the heart of it, this policy document harmonizes the bank's approach to compliance with the requirements of all stakeholders as well as outlines its commitment and approach to internal standards for managing environmental and social risks. City Bank has developed its own environmental and social risk categorization tool, comprising software that determines the E&S risk category of a transaction and provides supporting information for better understanding E&S issues of the client. The software was launched in October, 2018. The E&S categorization tool has been designed to support relationship managers and also risk managers to make appropriate E&S assessments of clients.

As a part of ESMS implementation, City Bank always took an environmental and social action plan (ESAP) to ensure timely phase-wise implementation of ESMS activities. The bank has identified a senior management official as E&S Manager with full management responsibility for ensuring the proper operation and maintenance of ESMS. The Bank also appointed an E&S coordinator who is responsible for the day-to-day implementation and operation of ESMS. The Bank has also assigned the responsibility of guidance and recommendation to the Sustainable Finance Committee, which comprises 17 representatives from multiple departments. Besides, the Board Risk Management Committee periodically observes the actions and provides supervisory direction when needed.

From 2015 onwards, City Bank enhanced its focus on internal capacity development and also across its credit function. The bank undertook initiatives to transmit its commitment to sustainability to all its employees through incorporating a session on sustainable banking in its orientation program for all new recruits. Other than orientation program related employees from both front and back office participate in different training programs organized both internally and by external organizations, like Bangladesh Bank Training Academy (BBTA), Bangladesh Institute of Bank Management (BIBM), other well reputed local and foreign institutions etc.

In October 2015, City Bank introduced its sustainability slogan: 'Go Green. Think Green, Act Green'. City Bank successfully launched its internet banking solution, 'CityTouch' on 11 October 2013 to provide improved, prompt, on-demand and paper-free banking services to its customers. To reduce its carbon footprint, the bank also launched e-statement access facility from 1 July 2014 for its customers and has also designed desktop wallpaper that articulates the bank's emphasis on reducing electricity and paper consumption. Currently, 13 of City Bank's branches

are partially powered by solar energy. The bank also has a 'Green Office Guide' to foster awareness in reducing the carbon footprint in day-to-day operations.

Green financing after formally introducing Green Banking Policy Guidelines (vide BRPD Circular 02/2011) in 2011, in 2017, Bangladesh Bank provided 52 product lists under 8 categories for green financing (vide SFD Circular 4/2017), while in 2009, Bangladesh Bank established a revolving refinance scheme amounting to BDT 2 bn from its own pool of green funds in order to boost financing in green sectors, such as solar energy, bio-gas plants and effluent treatment plants, which has been enhanced to BDT 4 bn in April 2020 covering 55 product lists (vide SFD Circular No: 02 dated April 30, 2020).

In January 2016, a longer-term refinancing window, Green Transformation Fund (GTF) with a corpus of USD 200 mn was launched by Bangladesh Bank to ensure sustainable growth in export-oriented textile and leather sectors conducive to transformation of the country's green economy. To further widen the scope of this fund, Bangladesh Bank made this fund utilizable by all manufacturers-exporters (agnostic of sectors) in June 2019 to finance import of capital machinery and accessories for implementing specified green/environment-friendly initiatives. City Bank is the participating financial institution (PFI) of all refinance schemes of Bangladesh Bank like Refinance Scheme for Green Products; Green Transformation Fund; Safety Retrofits and Environmental Upgrades in The Bangladeshi Ready-Made Garments Sector Project (SREUP); JICA Assisted Urban Building Safety Project (UBSP). The bank is a proud co-partner in financial agreements with a number of reputed international organizations. With such strong financial partnerships, the bank has achieved international standard expertise in green financing.

City Bank offers sustainable green financing solutions that enable clean and green economic development, while also raising awareness on the need to minimize the negative impact of business on the environment and society. Till June 30, 2020 City Bank disbursed green finance of BDT 6,062.81 mn in green products or initiatives. City Bank offers green financing facilities through 55 products under 9 different criteria. These include:

- a) Renewable energy
- b) Energy & Resource Efficiency
- c) Alternative energy
- d) Liquid Waste Management
- e) Solid Waste Management
- f) Recycling & Manufacturing of Recyclable Goods
- g) Green/Environment Friendly Establishments
- h) Green industry
- i) Miscellaneous Green Products

City Bank is always looked for new funding products and arrangements, so that bank can reinforce green and environment-friendly portfolio and become a more sustainable bank for the future with international standards and practices, while fulfilling our nationalistic role in contributing to the green and clean economic development of the country.

In 2018, City Bank won the prestigious 'Global Climate Partnership Award 2018' in recognition of its relentless commitment and institutional capacity to handle green lending. The independent jury appreciated the Bank's initiatives in blending environmental consciousness into everyday operations.