Green Banking & CSR

ONE Bank PLC (OBPLC) is committed to contribute sustainable economy by including Environmental, Social and Governance (ESG) considerations in our every investment decisions and in-house activities. The broad objectives of the bank are to use resources with responsibility avoiding waste & giving priority to environment & society. ONE Bank PLC has been conducting banking business in such areas and in such a manner that helps the overall reduction of carbon emission by its customers as well as from own operations. We care for climate change mitigation and adaptation, preservation of biodiversity, prevention of pollution, promotion of the circular economy, removal of inequality, inclusiveness, investment in human capital etc.

Green Banking activities addresses five key work-streams-(i) Green Finance (ii) In-House Green Activities covering Carbon Footprint Measurements (iii) ESG (iv) Green Marketing/Awareness/Capacity Building (v) Reporting and disclosure on green issues.

Green finance is a sub-set of Green Banking refers to financial flows that support environmentally sustainable projects and initiatives. Green finance includes climate finance but is not limited to it. It includes Mitigation and Adaptation. Mitigation focuses on reducing greenhouse gas emissions to prevent future climate change, while adaptation involves adjusting to the climate changes that are already occurring or are likely to occur in the future.

Mitigation Projects:

- Reducing greenhouse gas emissions**:** Implementing policies to reduce fossil fuel use, promoting renewable energy sources, and improving energy efficiency.
- Reforestation and afforestation
- Developing carbon capture technologies**:** Capturing and storing carbon dioxide from industrial processes.
- Promoting sustainable agricultural practices**:** Reducing methane emissions from livestock and promoting sustainable farming.

Adaptation Projects:

- Building infrastructure for flood defense
- Developing drought-resistant crops
- Improving water management
- Adjusting urban planning
- Designing cities to be more resilient to heat waves, floods, and other climate-related hazards.
- Developing early warning systems:

Policy Framework for Green Banking & CSR:

OBPLC have formulated following Policies, Guidelines and Disclosure (not exhaustive) for Green Banking in line with Bangladesh Bank and International best practices –

1. Sustainable Finance Policy
2. ESRM Policy
3. In-House Green Management Guide
4. CSR Policy
5. Carbon Footprint Disclosure

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Green Finance Products/Projects/Initiatives –

Bangladesh Bank so far introduced total 94 Green Products/Projects/initiatives for financing under refinancing scheme. ONE Bank PLC has focuses on Green Finance in various sectors like Renewable Energy (Energy efficiency, Solar PV Plant, Solar Home, Bio-Gas etc.), Green Industries certified by LEED under USGBC, Health care, Work Environment Safety in factories, ETP & improved Brick Kiln etc. Most of bank's investment/loan portfolio belongs to low & medium E & S risk rated clients. All its eligible customers must go through E & S due diligence procedures.

Following are the Bangladesh Bank declared products/projects/initiatives under 14 sub categories for green financing:

- Renewable Energy (16 items)
- Energy & Resource Efficiency (6 items))
- Alternative Energy (2 items))
- Liquid Waste Management (6 items))
- Solid Waste Management (6 items))
- Circular Economy & Eco-Projects Financing (11 items))
- Environment Friendly Brick Production (3 items))
- Information & Communication Technology (5 items))
- Miscellaneous (3 items))

Financing Terms:

- Green Finance (Term Loan) without Bangladesh Bank Refinance/Pre-Finance: Interest rate as per Bank's schedule of charges.
- Green Finance (Term Loan) under Bangladesh Bank Refinance/Pre-Finance: Bank Rate+1.00%=5.00%
- Loan Tenor: 3-10 Years

Other Refinancing Schemes for Green Products /Projects /Initiatives:

Bangladesh Bank so far introduced following other refinancing schemes for Green Products /Projects /Initiatives in local and foreign currency in a subsidized rate of interest.

1. Green Transformation Fund (GTF)-Foreign Currency & Local Currency (9 items)
2. Technology Development Fund (TDF)
3. Urban Building Safety Project (UBSP) - building safety of RMG factories and private buildings in the Dhaka District, Gazipur District, Narayangonj District and Chittagong City]

Green Banking & CSR

Carbon Footprint Measurement & Disclosure:

Every bank of the country needs to assess and disclose its total Greenhouse Gas (GHG) emissions based on International Financial Reporting Standard (IFRS S1 & IFRS S2). To accomplish the same, ONE Bank PLC became a signatory of a global organization, namely PCAF (Partnership for Carbon Accounting Financials) on 10th December 2024, to develop and implement a harmonized approach to assessing and disclosing the Green House Gas (GHG) emissions associated with the bank's loans and investments within next 3 years.

According to our commitment with PCAF, the Sustainable Finance Unit (SFU), CRM Division of the Bank has assessed GHG emissions of Bank's 55% loan portfolio as on 31.12.2024 using PCAF methodology. We are one of the two Bangladeshi banks pioneering such disclosure internationally through PCAF's portal.

Environmental & Social Risk Management (ESRM) Procedures:

Environmental and Social Risk Management (ESRM) play a vital role for investment appraisal of the borrower. ONE Bank PLC have updated Environmental and Social Risk Management (ESRM) Policy in 2025. Our RMs/Credit officers have been incorporating E & S data of clients through automated 'ESRM online tool' since June'2018.Through this ESRM screening, this tool automatically generates DoE category, ESDD Risk Rating, Environmental & Social Risk Management Summary of the clients. Our Management has appointed Project Appraisal and Monitoring (PAM) Team of CRM Division as Social, Health and Safety audit officer who will oversee the social issues of our financing clients and also complete IFC Performance Standards for applicable clients.

Capacity Building:

OBPLC continuously thriving for capacity development of employees, stakeholders to become a sustainable bank. Resource training is given with due importance as it helps build critical capacity among employees on matters related to E&S risk management and even business opportunities in the environmental practices programs.

Green Marketing:

OBPLC uses following Green Marketing Communication Tools-

a. Marketing through Word-of-Mouth by Dedicated Sustainable Finance Help Desks.
b. Marketing through electronic media
c. Marketing through SMS Banking
d. Internet Banking & Mobile Banking Facilities
e. Green Advertising

Green Banking & CSR

CSR Activities:

Corporate Social Responsibility (CSR) is a self-regulating business model that considers environmental impacts, ethical responsibility, philanthropic endeavors, and financial responsibilities which enable a company to become socially accountable to its stakeholders and the public. CSR is both short and long term time bound strategy to achieve a balance of economic, environmental and social imperatives (Triple Bottom Line Approach).

Being a Financial Institution, CSR is ingrained in ONE Bank's corporate culture. ONE Bank PLC (OBPLC) has incorporated CSR activities into its core strategic business planning and translated it into activities for the environmental, social, equitable and sustainable development of the country. OBPLC undertakes CSR not just as charity and compliance issue rather an attempt to respond to all the stakeholders' expectations more efficiently and in a responsible manner. Since adopting our Corporate Social Responsibility (CSR) Policy in 2013, ONE Bank has remained steadfast in its mission to promote economic inclusion, environmental sustainability and social welfare.

The Bank has organized its CSR activities around main areas such as Education, Health care, Environment and Climate Change Mitigation & Adaptation Projects/Events, Income-generating Activities, Infrastructure Development Sports, Arts & Culture and Socio-Economic Development etc.