

**Corporate Social Responsibility Report
for the year 2015**

Introduction

Bank of Sharjah is committed to responsible business practice, to its employees, customers and its community. Our commitment to society is deeply rooted in our values, and forms an integral part of our strategy. The Bank's drive for sustainable development complements its core strategy of partnering with businesses to contribute to their growth.

Bank of Sharjah aspires to maintain its long-standing reputation, through its current strategies and the primary focus on the interest of its stakeholders remain a key focus.

Bank of Sharjah passionately believes in the welfare of its staff, the satisfaction of its customers and the protection of its local environment. Bank of Sharjah has always been focused on responsible business practice and the development of the Bank's Corporate Social Responsibility policy is a step forward in documenting the Bank's historic on-going strategies. The policy will not only detail existing practices but will specify new initiatives that are due to be introduced to expand and cement the Bank's commitment to ethical and responsible practices.

Commitment to Social Responsibility

The Bank's commitment to society is deeply rooted in its values and forms an integral part of its strategy.

Employees

The development of human resources lies at the heart of the Bank's strategy. The Bank seeks to expand and attract employees with good experience who share its values and goals.

The Bank believes that maintaining a comfortable and pleasant working environment as well as promoting a respectful atmosphere is crucial in building employee loyalty and contentment. This can be seen in our ability to retain the personnel of the Bank for many years.

A Bank, like most businesses, can only be successful if it has professional, committed employees. Bank of Sharjah is not different; employees are valued and are always a key focus in the Bank's strategy decisions and plans.

All employees are committed to comply with the core values of the bank as well as the Code of Conduct.

Staff development is crucial in maintaining best practices in all functions within the Bank. This is recognized by the Board of Directors and Senior Management by developing new training initiatives.

Emiratisation

"Quintetta" Emiratisation Program. This peculiar word of Italian origin is commonly used in classical music and indicates a piece of music written for 5 instruments or 5 vocals in a concert, performing in perfect harmony. One might wonder why a word of such nature is being used in a business environment - it is clear that Harmony is the keyword.

With the "Quintetta" Program, our goal is that every 5 employees, nationals and expatriates, team up together to form one united professional cell, motivating each other, learning from each other's experience and ultimately reaching a harmonious entity.

"Our aim is to strengthen the capabilities of nationals and provide them with professional opportunities in the banking sector. We endorse the Emiratisation initiative in both letter and spirit".

The "Quintetta" Program offers a unique opportunity to have a real job in the financial sector.

The "Quintetta" Program is designed for university students who can enjoy a flexible plan that allows working as little as 6 hours per week, to gain experience and become a productive member of society.

Customers

Bank of Sharjah Your Partner in Progress.

The Bank's aim is to provide financial solutions that deliver results. The Bank believes in proactively assisting customers and clients with measures that focus on their individual needs and provide unparalleled service. The Bank's Mission Statement addresses the Bank's commitment to its customers and its drive to assist them in realizing their aspirations and objectives.

Because every corporate vision is unique Bank of Sharjah believes in going the extra mile, offering all of our customers a personal, professional, tailored service, offering assistance and advice whenever requested.

“Banking that understands the difference” At Bank of Sharjah we are aware that everyone is different, their needs and wants diverse and each client is special.

Employing expert minds, using innovative tools, we strive to provide financial solutions that deliver results, not just promises.

If you're set on the right course, Bank of Sharjah will take you all the way. An unlimited perspective that's what we offer at Bank of Sharjah.

Environment

It is critical for businesses to act responsibly with respect to the environment and take measures for reducing their environmental footprint.

It is Bank of Sharjah's view that no matter how small, every environmental initiative can make a difference. The Bank has taken initiatives for the use of paper and promoting paper recycling. The bank has enhanced the electronic services offered to customers, in order to promote the use of e-statements. This seemingly small step significantly reduces the amount of paper used annually.

The Bank also has an agreement with “Bee'ah”, a leading company in Sharjah who is committed to environmental change in the United Arab Emirates.

Bee'ah is committed to providing the best Waste Management Solutions for having a cleaner, healthier and sustainable environment. The services provided by Bee'ah are not limited to Waste Management; it also provides a wide range of solutions in fields such as Renewable Energy, Environmental Management, Environmental Consulting, Public Cleansing and Sustainability. As part of the agreement with Bee'ah, Bank' recyclable items such as used papers and plastics are collected.

Save Trees
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For more information call 0774 5238111 or email info@bos.bankofsharjah.com

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Commitment to Civic Responsibility

Philanthropy has always been at the heart of Bank of Sharjah since inception. Supporting those in need within our community and beyond has always been a clear objective. Our Corporate Social Responsibility programmes often go far beyond what we report; being socially responsible and focusing on our local community is part of the Bank's culture.

Bank of Sharjah supports various charitable organizations and local community groups; including organizations which advocate for environmental responsibility and public health, among others, through sponsorship, donations or contributions which amounted to approximately AED 10.5 million in 2015. The Bank supports a range of institutions and local community groups including health initiatives such as the Pink Caravan, educational institutions such as the American University of Sharjah and a range of organizations focused on caring for children with special needs such as Sharjah City for Humanitarian Services.

Our Contributions:

Bank of Sharjah supports various educational, cultural, sporting and community events.

The Bank is also passionate about training and the development of education for UAE Nationals and supports various endeavours in this regard.

During the year Bank of Sharjah sponsored several Umrah Campaigns for children with special needs from organizations such as the Khorfakkan Club for Handicapped and the Emirates Association of the Visually Impaired. The Bank further supported children with special needs.



1 - Education



AUS | الجامعة الأميركية في الشارقة
American University of Sharjah

American University of Sharjah

In 2011, Bank of Sharjah signed an agreement with the University to support the development of a 'Bank of Sharjah Chair in Finance & Business Administration' for AED 15 million over a period of 5 years. Bank of Sharjah hopes that such involvement and support will benefit the future generation and further develop the local community.



St. Joseph University – Dubai

The Bank offered 10 scholarships for a total of AED 550,000, sponsoring UAE students at the Law School at Université Saint Joseph's (USJ) Dubai campus. This further demonstrates Bank of Sharjah's role and contribution for promoting the legal know-how of the young Emirati generation.

2 - Solidarity and Humanitarian



Sharjah City for Humanitarian Services

The Bank has, for many years, supported the Sharjah City for Humanitarian Services and its work with children with special needs. The Society, based in Sharjah, has many specialist centers catering for a wide range of needs. Bank of Sharjah has pledged a yearly donation of AED 3 million.



Al Noor Training Center for Children with Special Needs

The Bank supports Al Noor Centre annually according to their needs, whereby the Bank provided special instruments to the Children, such as wheelchairs, computers, and renovation of bakery enabling children to learn this area with the latest tools, and helping them to promote and sell their products. The Bank also contributes financially and through volunteering in the Family Fun Day, which is held every year and takes part in a football tournament organized by the center. The Bank also donated a bus designed specifically for the needs of this group of children.



Raising Health Awareness and Contributions to Health Initiatives

The Bank makes a yearly donation of AED one million to the “Friends of Kidney Patients Society”, an association that offers financial assistance to kidney patients and supports scientific research in that field.

In December 2015, Bank of Sharjah in collaboration with Friends of Cancer Patients, held Health Awareness sessions with screening and consultation, for all staff at the Head Office.

Moreover, the Bank sponsored the “Shanab” initiative of the Friends of Cancer Patients (FoCP), which is a campaign for raising awareness about male cancers, in Abu Dhabi, Dubai and Sharjah.

Other Contributions

For three years in a row, the Bank has sponsored the Smile on the Face campaign during the Holy month of Ramadan; which is a campaign that provides meal boxes and gifts to workers at labor camps across the UAE.

Bank of Sharjah also focuses on the preservation of our local environment. The Bank believes that taking small steps and making small changes make a big difference.

The Bank is also active in supporting local awareness and advancement through both membership and involvement in various organizations focused on building Environmental and Social and Corporate Governance awareness in the Region.



3 - Sponsorship

The Bank is a founding sponsor and key supporter of:



Hawkamah

The Institute for Corporate Governance a 'think and do' tank organization leading the way in Corporate Governance development across the region.



The Pearl Initiative

A networking and research group that works in cooperation with the United Nation, focused on Corporate Governance, CSR and Sustainability.



Arab Forum for Environment and Development

An institution designed to promote environmental and sustainability awareness in the Arab world.

Our commitment to all these organizations is on a long term basis. However, Bank of Sharjah also supports several Sports, Education, Humanitarian activities of interest to the community.

Appendix

Code of Conduct - Bank of Sharjah Group

The reputation of Bank of Sharjah (BOS) depends on its employees and representatives; each employee is expected to ensure that their behaviour preserves this reputation and act in line with the BOS code of conduct.

Objectives

This code imposes an obligation to act beyond mere compliance and to support the underlying core values of Bank of Sharjah, (PETICQ).

Performance, Ethics, Transparency, Initiative, Commitment and Quality

The Code should be a guide; personal values and integrity are fundamental in ensuring ethical business practice.

The Code is based on principles that must be followed in a comprehensive manner.

This code is adopted by the Board of Directors, and is applicable to all employees in Bank of Sharjah Group. Violations of this Code will be fully investigated and could result in disciplinary action.

Principles

Ethics and Transparency

To gain the trust of clients, staff members should act ethically and transparently in all their professional actions, and fulfil their responsibility with trust and integrity.

Commitment and Quality

Staff members shall work in the customers' best interests so as to provide customers with quality service and to be committed to act in compliance with the laws and professional standards, in line with the requirements and the reputation of the bank. The staff members are committed to comply with the Professional Ethics of the Bank and its internal policies related to conflicts of interest, disclosure, confidentiality of information and any other principle which ensures ethical business practice.

Performance and Initiative

The staff members shall seek to provide customers with suitable services, information that is not misleading, and financial advice. The initiative should be undertaken to ensure the quality of service and to preserve in all cases the customer's best interests.

Process to respect the code

Acceptance of the code by all the employees.

The code of conduct is sent to all employees to be signed by each one, formalizing their commitment to Bank of Sharjah Professional Ethics. The signed copy is recorded in each employee file, kept with the Human Resources department. Any amendment to the code of conduct will be displayed on the BOS internal website.

Any breach of this Code will be seen not only as a breach of Bank regulations but also of the Bank's Core values. A breach of the Bank regulations is seen as a serious incident since it could potentially damage the reputation of the Bank. Disciplinary actions therefore will be severe and could lead to termination of contract; the Bank reserves the right to further action including judiciary proceedings.

If you are aware of any breach of the Code of Conduct then you have a responsibility to report it to the Legal and Compliance department; to ignore such a breach could create personal liability.

Code of Ethics - Bank of Sharjah Group

The core values are:

P-E-T-I-C-Q

Performance, Ethics, Transparency, Initiative, Commitment, Quality

The Bank of Sharjah Group conducts business in an honest and ethical manner on which reputation is built. The ethical standards practiced are measured on performance and behaviour therefore it is imperative that the principles are understood and instilled throughout the Group. The Code should be a guide; personal values and integrity are fundamental in ensuring ethical business practice.

This code, based on the core values, adopted by the Board of Directors, is applicable to all employees, management and Directors in the Bank of Sharjah Group. Violations of this Code or the Group Code of Conduct will be fully investigated and may result in disciplinary action.

Principles:

- 1) All by-laws, regulation and legislation should be followed by the Bank of Sharjah Group, and under no circumstance should these be disregarded or abused.
- 2) Values must be honoured. Always act professionally; ethically; transparently; conducting business with integrity, commitment to the Bank of Sharjah Group, to colleagues, and customers and always maintain a quality service.
- 3) All business should be conducted with confidentiality; this applies internally, externally and even after leaving the Group. Information such as strategic plans, financial results, marketing strategies, internal policies, personal records, new investments and client related material including identity and account details should never be disclosed to a third party, inclusive of family members. Responsibility must be taken to safeguard and act with discretion and sensitivity.
- 4) Provide accurate information; disclosures made to Management, Regulators, shareholders and the public should be truthful, forthright and accurate. All information disclosures should be made in the correct manner, as per internal procedure.
- 5) Any situation where conflict of interest could arise should be avoided, it is unacceptable to continue in such a circumstance where a client or the Bank of Sharjah Group, could be compromised. This includes using contacts to advance personal interests i.e. private business dealings. [Please refer to the Conflict of Interest Policy for more information].
- 6) No material or intelligence, particularly regarding competitors, should be gathered by illegitimate means, acting on information believed to be gathered in such a way will not be tolerated.
- 7) Bribery, in all manners, should be rejected. No remuneration or compensation should be received or given in order to attract or influence any business decision or transaction. The receipt of gifts is not forbidden, it is only acceptable when there is no intent to influence or no compromise of professionalism. If there is doubt as regards to the reason for a gift then a manager should be contacted or the legal department consulted. All gifts exceeding AED 500 should be received in a transparent fashion and should be reported to a superior.
- 8) Property should not be misused or damaged in any way. Property, information or position, should never be used for personal gain. Assets should be used efficiently and never misappropriated.
- 9) If you are aware of any breach of the Code of Ethics or the Code of Conduct then you have a responsibility to report this to a member of management, to ignore such a breach could create personal liability.

Conflict of Interest Policy - For the Bank of Sharjah Group

In line with the Code of Conduct and the Code of Ethics, the Bank of Sharjah Group, has a strict policy to ensure that any conflict of interest in any area of the business is avoided. This policy is applicable to any business decision, transaction, strategic discussion, and planning or client relationship.

When a private interest interferes, or appears to interfere, in any way with the interests of the Bank Sharjah Group, then there is a clear conflict of interest. In which case, it must be reported as soon as it arises in order to protect the Group and prevent any reputational risk.

If there is ever a situation where a person could be seen to personally gain, financially or otherwise, either through a decision or by a transaction they are dealing with then they must report the conflict immediately. To continue to deal with a client or other party with knowledge that there might be a conflict of interest will be seen as a clear breach of this policy.

Disclosure policy - Bank of Sharjah Group

The Bank of Sharjah Group is focused on timely and factual disclosure in line with legal and regulatory requirements.

The disclosure policy covers all documents released to shareholders or other stakeholder groups. It covers all material including annual reports, quarterly reports, management reports, information to be published on websites and press releases as well as oral statements, interviews and speeches.

General Policy:

The Bank of Sharjah Group follows a strict procedure relating to all disclosures. Any report or document that is to be disclosed will be written or compiled by the relevant department before it is sent to Management for approval. All major disclosures including all reports must be reviewed by the Board Corporate Governance Committee and the Board Audit and Compliance Committee and approved by the Board before they are released to shareholders and to the general public.

Website Disclosure:

There is a specific procedure for internal and external website disclosure. A website disclosure form must be completed by the relevant Head of Department and the document sent to the legal department and to the internal control department for review before the document is sent to the General Manager for final approval. Finally the document and the completed approval form are sent to the IT department who are responsible for uploading the document to the specified location on the website.

Spokesperson:

Any public event, key note speech or interview that Bank of Sharjah Group is participating in must be handled by an approved spokesperson. Spokespeople are chosen by the General Manager and made known to the Board of Directors. Only those approved to speak may do so.