

Incident of Greenwashing and Failure of Internal Grievance / Independent Redress Mechanism of Habib Bank Limited (HBL)

Date March 4, 2022

Attention:

1. **International Finance Corporation (IFC)**
2. **CDC Group UK**
3. **State Bank of Pakistan (SBP)**
4. **Securities and Exchange Commission of Pakistan (SECP)**

Preamble

Directly or indirectly, Habib Bank Limited (HBL) is legally obligated in light of its collaborations / partnerships etc. like *investment of British International Investment, (formerly CDC Group plc, Commonwealth Development Corporation, and Colonial Development Corporation)*, UK Government's Development Finance Institution¹ as well as *commitments made by Aga Khan Development Network (AKDN – 100% ownership of AKFED) and Aga Khan Fund for Economic Development (AKFED – 51% ownership of HBL), to all its Sovereign and Multilateral Donors/Partners/Investors etc.*, requiring compliance with Sustainability / ESG / ESMS etc. standards, adopted by the Group/entity through resolutions of its respective Governing Boards, articulated in respective Group/entity level Policies; refer link to view list of AKDN Donors/Partners². Accordingly, HBL is also legally obligated to comply with a Loan Agreement (hereafter referred as agreement) it has signed with International Finance Corporation (IFC), dated April 09, 2015 – refer IFC investment number 34365.

Therefore to comply with various relevant Environment and Social (E&S) as well as Governance (Compliance) clauses specified in the said agreement, HBL Pakistan hired ██████████ ██████████ to formulate a Policy as well as to setup a Social and Environmental Management Systems Department (SEMS), to cross-cut and embed respective E&S requirements (to hereafter be read in conjunction with universal Sustainability/ESG obligations) in HBLs Policies, procedures, products and processes, applicable bank/entity-wide. On paper, SEMS is custodian of (i) Social and Environmental Policies of HBL (ii) internal owner to ensure Bank's Compliance with State Bank of Pakistan Green Banking Guidelines (iii) IFC Performance Standards (part of IFC investment executed on April 9, 2015) etc., (iv) CDC's Code of Responsible Investing based on Shareholding agreement with HBL etc.

In the year 2017, Country Regulator i.e. State Bank of Pakistan (SBP) issued the Green Banking Guidelines (GBG), which were expected to be implemented within one year of its issuance i.e. year 2018⁴ - this is confirmed through SBP⁵ (dated February 15, 2018).

██████████ who drafted the first ever SEMS policy for HBL in the history of Pakistan Banking Industry, was a key member of the Pakistan Bankers Association (PBA) and SBPs consultative committee, which subsequently led to the formulation of the SBP GBG. Therefore, upon issuance of the SBP GBG in 2017, an internal review of HBL SEMS Policy indicated Compliance with SBP GBG, given the existing connectivity of the two documents in certain key aspects i.e. HBL SEMS Policy 2016 and SBP GBG 2017; remaining SBP GBG provisos were adopted on "as is basis" alongside the existing 2016 SEMS Policy.

- [Wikipedia & CDC Group website](#)¹
- <https://www.akdn.org/about-us/our-partners>²
- [E&S Specialist however a Non-Banker](#)³
- As per SBP GBG⁴ – click links [Green Banking Guidelines \(ifc.org\)](#) and [State Bank of Pakistan \(sbp.org.pk\)](#)
- Refer⁵ Appendix-1

Incident of Greenwashing and Failure of Internal Grievance / Independent Redress Mechanism of Habib Bank Limited (HBL)

Date March 4, 2022

In year 2020, HBL SEMS Policy underwent a major revision to include the actual text of all provisos of the SBP GBG as well as to update it against any possible revision in the Standards and Principles adopted by HBL (HBL became a member of GIP in year 2019). However, a clause contravening the spirit of the (i) 2016 SEMS Policy⁶ (ii) SBP GBG⁷ (iii) IFC and other adopted Standards and Principles, was included by the Management in the reporting process, whereby Head SEMS⁸ was made to report to Group Head Corporate, Commercial and Investment Banking Group (hereafter referred as Head CCIBG).

Meanwhile, as per IFCs feedback loop per the agreement, every year HBL was required to submit an annual E&S Performance report, in form and substance, satisfactory to IFC and substantially in the form of Schedule 9, evaluating the environmental and social performance, describing in reasonable detail (i) implementation and operation of the E&S Management System and (ii) the environmental and social performance of the client⁹.

In Q3, 2020, HBL was informed by IFC that based on its year 2019 E&S Performance Report i.e. Annual Environmental Performance Report (AEPR), IFC had assigned HBL, a negative assessment with respect to high E&S risk apparently due to (i) poor E&S Compliance (ii) high portfolio risk. However, this communication was done verbally at the highest level and officers of HBL SEMS neither received any request for information from IFC regarding this assessment (performance gaps) nor are they aware of the basis of this adverse IFC E&S rating¹⁰.

To address HBLs high E&S risk rating issue by IFC¹¹, a Technical Assistance on Environmental and Social Risk Performance Improvement Advisory Engagement (hereafter referred as engagement) dated May 7, 2021 was signed between HBL and IFC¹².

Creation of a New Post of Deputy General Manager as well as Head Planning and Implementation SEMS

To ensure practical implementation of the SEMS Agenda, Head HBL SEMS, [REDACTED] post agreement of HBL President & CEO, [REDACTED] as well as other relevant personnel including Human Resources (HR) created a position as (i) Head Planning and Implementation (ii) back-up official to Chief Green Banking Manager (CGBM) and (iii) successor to Head/GM SEMS. For the same, he selected a senior Deputy General Manager, [REDACTED] to join HBL SEMS dept. in that capacity¹³.

- Refer Appendix 1 i.e. compliance comments on 2016 SEMS Policy post-facto sign-off sheet⁶
- Refer mandate of Green Banking Office (GBO), as per SBP GBG⁷
- Chief Green Banking Manager(CGBM)⁸
- Extract of pages 4&5 of agreement⁹
- Comment does not necessarily suggest disagreement with the IFC assessment of HBLs E&S obligations¹⁰
- Based on verbal communication as clarified above¹¹
- Refer IFC Project No. 603761. [REDACTED] (IFC Manager Asia and Pacific, ESG Sustainability Advice & Solutions Department) signed on behalf of IFC whereas [REDACTED] who is Head Investment Banking department, signed for HBL (pertinent to note that [REDACTED] to date had not been issued with a Power of Attorney to sign on behalf of HBL, even for his own jurisdiction i.e. SEMS dept.¹²

Incident of Greenwashing and Failure of Internal Grievance / Independent Redress Mechanism of Habib Bank Limited (HBL)

Date March 4, 2022

Mr. [REDACTED] had over 14 years of association with HBL, out of which, almost 5 years with HBL International Banking and 7 years with HBL International Compliance. Prior to his internal movement in June 2021 to SEMS dept., [REDACTED] was reporting to the Head of HBL International Compliance, [REDACTED] who has also been a long serving, and still is, Banking Chair at International Chamber of Commerce - Pakistan chapter (hereafter referred as ICC).

Whilst SEMS dept. since year 2016, had initiated categorization and classification of Corporate and subsequently Commercial Banking lending relationships, hardly any other aspect of SEMS Policy was implemented. Moreover, SEMS department was also unable to extend the approach of the SEMS Policy on HBLs other business units i.e. Investment, Consumer, Retail, Islamic etc.

Due to lack of resources and other imposing factors¹⁴, SEMS dept. was also unable to implement any “cause and affect” mechanism, particularly for Category A borrowers, to determine and identify those borrowers who may be in breach of their Environmental and Social Management Plans (hereafter referred as ESMP), thereby unable to ultimately ascertain borrowers’ commitment to applicable E&S laws as well as working of borrowers’ redress mechanisms, amongst others. [REDACTED] upon joining was advised by [REDACTED] his line authority i.e. Head SEMS¹⁵ – to review and propose draft points for HBL’s enhanced SEMS Policy¹⁶.

Accordingly, [REDACTED] undertook a comprehensive review and assessment of the SEMS department in light of SEMS Policy obligations and objectives, IFC/CDC requirements, SBP GBG stipulations – key findings are noted as under;

1. HBL-IFC agreement was only made available to the SEMS dept. during year 2020; prior to which SEMS was unable to determine the E&S obligations of HBL under the same
2. To date SEMS did not have in its record, HBL agreement with CDC Group UK
3. Bank’s Senior management was neglecting implementation of the ESMS Group/entity-wide¹⁷ – BD Policy
4. SEMS was unable to meaningfully work with any category of borrowers to develop their internal ESMS and or assess their quality of ESMS implementation
5. SEMS was unable to capacitize staff to develop Group/entity-wise operational procedures and processes
6. There were no documented or approved artifacts on record viz. the top down (i) Organization chart of SEMS dept. (ii) its line reporting structure; and (iii) Authority etc.¹⁸ – there were no separate budgets or headcount allocated to SEMS
7. Decision to grant credit was being taken Risk, prior to any assessment of the proposed lending by SEMS dept. or without taking into account their SEDD or E&S Category etc.
8. Absolute influence of Business to grant SEMS approval without undertaking proper SEDD; key documents like respective Provincial Environmental Protection Agencies (EPAs) No Objection Certificates (NOC) were not being shared with the SEMS dept., impacting borrower/portfolio classification
9. Business was not sharing Client ESAPs/ESMPs for tracking by SEMS; to pin-point borrowers breaching applicable E&S laws and / or applicable IFC PS¹⁹ - even in 2021 business continued to use 2016 SEDD template instead of 2020 policy SEDD template
10. SEMS were unable to assess if borrowers redress mechanisms were in place or effective, if any,
11. SEMS was not made part of the legal review (if any) of borrower loan documents
12. SEMS was not made part of the selection process (if any) for appointing external E&S consultant

1. Refer Citations and corresponding Annexes enclosed below starting Page 34
2. Copy of any document can be made available that may not be visible/blurred

Incident of Greenwashing and Failure of Internal Grievance / Independent Redress Mechanism of Habib Bank Limited (HBL)

Date March 4, 2022

13. There was no process or information on record if IFC was being informed²⁰ while onboarding Category A clients – Section 5.01 i.e. affirmative covenants, sub-point (p) while onboarding Cat A client (other than info. being shared through AEPR)
14. SEMS Policy had not been implemented at International Branches or local / international subsidiaries²¹, even in locations where Country Regulators had issued guidelines - UK email/Saif emails
15. There was no formal approval/acknowledgement of SEMS plan by Senior management
16. A high degree of (i) coercive (ii) collusive (iii) obstructive practices were experienced, impacting the objectives of SEMS operations and constantly creating conflict of interest issues
17. HBL had been unable to launch its in-house (i) sustainable energy finance product or (ii) undertake any other Climate-Related Financing activity, either in Pakistan or in any of its international branches or subsidiary etc. - no clear domestic / international business strategy on targeted sectors
18. Despite a high carbon intensive portfolio, %age of transactions rejected since signing of the agreement, were negligible
19. Lack of mechanism to obtain non-financial reporting from borrowers or to ascertain if any complaint or litigation had been filed by any affected individual/party against any of HBLs borrowers
20. There was no formal mechanism for periodic reporting of E&S issues to the Management / Board or its Committees – accountability for E&S issues was so far, not included in any Board Committee’s Terms of Reference (ToRs)
21. No periodic or annual E&S/sustainability reports were being prepared for any internal or external stakeholder
22. HBLs compliance with SBP GBG was weak and ad-hoc

Therefore, since creation of SEMS Policy and dept. since year 2016, ██████████ had continuously been trying to convince the senior management and Board members on the need to enhance compliance with the objective of SEMS Policy objectives, however it was only due to IFCs action of Q3, 2020 which compelled management to allow ██████████ to bring in a senior banking resource to practically develop SEMS operating procedure to implementation SEMS processes across the 3LoD model.

Hence, to measurement and monitoring the anticipated Impact (consistent with IFCs AIMM), ██████████, consistent with his job description (JD) and Key Performance Indicators (KPI) as well as due knowledge and approval of ██████████ undertook necessary steps, some of which asunder;

1. To ensure proper segregation of duties etc., HR was asked to (i) provide additional headcount (ii) clarify confusion in top-down organization chart and authority²²
2. SBP was requested to clarify SEMS organizational and other requirements²³ as stipulated in GBG
3. Engagement with internal stakeholders was initiated to further operationalize SEMS role²⁴
4. Drafting of enhanced SEMS Policy and procedures document was initiated²⁵
5. Revamping of SEDD review mechanism was initiated²⁶
6. HBL SEMS future forward pathways (actionable objectives) were included in HBLs Risk Appetite Statement (RAS) and had it approved by the Board²⁷
7. A sustainability plan was presented to the President & CEO for submission at Group/entity level, showcasing HBLs transition proposal²⁸
8. Proposal to address deadlock regarding how to achieve the objectives of IFC Technical Assistance was submitted for President & CEO approval²⁹

- Refer²⁵ artifact of Citation 16

Incident of Greenwashing and Failure of Internal Grievance / Independent Redress Mechanism of Habib Bank Limited (HBL)

Date March 4, 2022

9. Proposal to address deadlock regarding how to achieve compliance with SBPs Risk Control Self-Assessment (RCSA) guidelines exercise related to SEMS, was submitted for President & CEO approval³⁰
10. Proposal to institutionalize SEMS function at Group/entity level was submitted to Chief Human Resource Officer (CHRO), for necessary approval³¹

Evaluation Assessment

In light of the on-ground experience, backed by documented artifacts, following is the expert assessment of the now defunct, DGM SEMS and Head Planning and Implementation, [REDACTED]

1. SEMS department was being coerced to exercise “Greenwashing”
2. Complete failure of HBLs internal grievance/redress mechanism
3. Bad conduct and governance on part of personnel who are custodians of HBL whistle blow policy
4. Absolute disregard towards compliance of (i) SBP GBG and other Guidelines (ii) IFC Performance Standards and other Policy etc. obligations, by Board, President and Key Management team members
5. Coercive, collusive and obstructive actions exercised by President and Key Management team members
6. SEMS departments was being intimidated to commit Regulatory breaches and violate contractual obligations
7. Illegal meddling to undermine SEMS departmental authority to impose on SEMS objectivity
8. Willful negligence of applicable SBP and Securities and Exchange Commission of Pakistan (SECP) guidelines on Good Governance and Business Conduct

Statement on Incident of Grievance

Up until the illegal, unauthorized, wrongful and constructive termination/discharge (**Since [REDACTED] did not voluntarily resign, he is terminated**) [REDACTED] total length of service with Habib Bank Limited (HBL) stood at over 14 years (Joining date 08/01/2008). His cadre with Bank was Deputy General Manager (DGM). On June 07, 2021, after completion of due internal processes, took charge as DGM/Head Planning and Implementation (P&I), Social and Environmental Management Systems (SEMS) at HBL Social and Environmental Policy Department, reporting to its General Manager/Departmental Head (GM/DH), [REDACTED]

In compliance of State Bank of Pakistan (SBP), Green Banking Guidelines (GBG) and Bank’s SEMS Policy requirements, this office is also designated as HBL’s “Green Banking Office” (GBO) where the GM/DH is concurrently working as HBL’s “Chief Green Banking Manager” (CGBM). The office GM/DH SEMS and CGBM is a control position under necessary stipulations, and due intimations/confirmations have to be provided to SBP and Multilateral Shareholders i.e. (i) CDC Group Plc (entirely owned by the UK Government) (ii) International Finance Corporation (IFC), World Bank Group (WBG), about the structure and working progress of SEMS/GBO. As per internal Succession Plan, Assad was back-up official to GM/DH SEMS and CGBM.

Position of DGM SEMS/Head P&I, necessitated by applicable compulsions, was duly created by GM/DH SEMS, after discussions and concurrence of Management member, [REDACTED] Head Corporate Commercial and Investment Banking (CCIBG), as well as HBL President & CEO, [REDACTED] Amongst other requirements, key reason of [REDACTED] appointment in this role was to develop SEMS Policy and Procedures, to conform with provisos of SEMS Policy, SBP GBG and Multilateral Shareholder agreements; and implement the same cross-functionally, including HBL’s overseas branches and domestic/ international subsidiaries. Job description of [REDACTED], duly approved by his Supervisor/line authority (authorized person). This internal transfer was a courageous step for [REDACTED] as he was due for his usual promotion (based on 3year policy), at year end 2021 appraisal cycle, which his supervisor/line authority i.e. Head International Compliance (IC) assured would

Incident of Greenwashing and Failure of Internal Grievance / Independent Redress Mechanism of Habib Bank Limited (HBL)

Date March 4, 2022

happen, in case █████ decided not to move. However, given that █████ was already meeting the usual yearly criteria of promotion, as his appraisals of past 2 year appraisals (2019+2020), including his to date 2021 performance, were all top notch, he would attain the due promotion, naturally.

Subsequent to joining of █████ as back-up/successor, GM/DH/CGBM (amongst other competing tasks) instructed him to complete the following assignments, on priority (in addition or repetition of those stated above);

- **Task 1:** Complete Management sign-offs and obtain Board approval on the Green Banking Policy of HBL Bangladesh operations (Regulatory local requirement), which had been pending for over year due to undue interference of Head Investment Banking (IB), █████
- **Task 2:** Obtain post-facto SBP approval on advisory contract signed between Head IB and IFC, without following of due internal and SBP processes; and upon initiation of advisory, assist with the engagement based on SEMs mandate, as per agreed timeline
- **Task 3:** Review and address SEMs observations, to complete the Risk Control Self-Assessment (RCSA) exercise, in compliance of requirements with SBP Compliance Risk Management Guidelines (CRMG)
- **Task 4:** strengthening of HBL SEMs Departmental Structure, separate Budget, revision of Policy and development of procedures etc., to comply, in letter and spirit, based on gapping with applicable requirements
- **Task 5:** SBP clarification advice on the status of independence of SEMs function, in light of GBG (connected to Task 4)

Thereafter, despite dearth of resources (financial/staff etc.), █████ dived into formulating plans to complete the above priority tasks, amongst others. Whilst █████ after a lot of effort, was able to complete Task 1 completely and Task 2 partially; in case of Task 2, SBP, while issuing approval, also warned HBL to ensure avoidance of such oversight by Management.

During all this time, GM/DH SEMs and █████ constantly discussed a crucial issue being faced by them both i.e. undue influence, intimidation, coercion, interference of Head CCIBG and Head IB, directly and through their Managers, impairing the affairs of SEMs Departmental matters, including rowdy attitude towards GM/DH SEMs and █████ matter was duly discussed by GM/DH SEMs with Head CCIBG, but to no avail; in fact GM/DH SEMs was being advised that, contrary to the stated requirements, he should consider Head IB as his supervisory/line authority, instead of Head CCIBG. However, in the interest of taking the agenda forward, and commitment towards HBL/Group objectives, it was decided not to formally report this to Human Resources, as required under HBL Policies including Policy on Code of Ethics and Business Conduct, to avoid compounding unnecessary complications that were already being faced by SEMs Department; however, in light of the following adverse, wrongful, willfully ignorant and unauthorized action experienced by GM/DH SEMs and █████ it proved a naïve conclusion.

In case of the remaining activities of Task 2 and finalization of Task 3, Head IB and CCIBG started pressurizing GM/DH SEMs and DGM/Head P&I SEMs to sign-off on documents which were in violation of IFC agreement and SBP CRMG; same is true for Task 4 where SEMs recommendations for formal institutionalization (creation of a separate function) was not being agreed. Numerous meeting, discussion, calls etc. were held to convey SEMs point of view however in vain; instead SEMs Department was being constantly

influenced and its work being impaired as it was not agreeing to the illegal recommendations of Head IB and CCIBG; physical documentation of these activities was also being constantly discouraged. During September 2021, pressure and hostility on part of Head IB and CCIBG increased tenfold, GM/DH SEMs accordingly formulated Departmental memorandums, for HBL President and CEO, documenting the necessary actions, to be taken to comply with requirements under Tasks 2/3/4.

Incident of Greenwashing and Failure of Internal Grievance / Independent Redress Mechanism of Habib Bank Limited (HBL)

Date March 4, 2022

Concurrently during early September 2021, both GM/DH SEMS and DGM/Head P&I SEMS started experiencing Covid symptoms. Based on laboratory results of September 08, 2021, ██████ tested positive for Covid-19. Whilst ██████ was kind and despite experiencing moderately severe symptoms, ██████ was able to quarantine at home and ride out the infection; however, all this time, due to undue work pressure, ██████ was effectively able to manage work from home. It was during this time when ██████ as advised by his supervisor/line authority i.e. GM/DH SEMS, drafted the said SEMS memorandums, which were signed and sent by GM/DH SEMS to President & CEO HBL.

Upon completion of the mandatory quarantine period and result of retest dated September 27, 2021, ██████ resumed office on Tuesday September 28, 2021. On Wednesday September 29, 2021, ██████ received an email meeting invite from staff of Head IB captioned *Meeting with ██████ - Important Matter*. Unusual to norms and procedures, it was not copied to GM/DH SEMS. ██████ duly forwarded to him the message, whereupon query was raised with Head IB on what the matter was about and why it was not copied to Head SEMS. Instead of responding to queries, Head IB kept insisting that ██████ attend the meeting and presence of GM/DH SEMS (supervisory/line authority) is not required. Despite non-receipt of any meeting agenda, ██████ accompanied by supervisory/line authority, physically went to attend the meeting.

In the meeting of Wednesday September 29, 2021, apart from ██████ his supervisory/line authority and Head IB, Head Talent and Human Resource Relationship Management WS and Support (HRRM), ██████ was also present. Prior to this time, ██████ or his supervisory/line authority were not made aware that HR would be present at the meeting; nor was HR copied on the email meeting invite sent to ██████ After seating, Head IB, ██████ informed ██████ that the "Management" had decided they no longer require his services. When ██████ asked for a reason, none was provided however Head IB, stated that as Task 2/3/4 were not being signed-off, as being guided by Head IB and CCIBG and that was causing difficulty. Head IB also showed his dismay over SEMS Department getting in touch with SBP and ordered both GM/DH SEMS and ██████ not to do so in future. To this ██████ and his supervisory/line authority responded that, as part of their mandate, they had every right to officially contact relevant Departments of SBP, for any necessary guidance and advice; ██████ also stated that memorandums containing necessary actions, required to complete these tasks, had already been shared with Head CCIBG and President & CEO, for perusal. ██████ further added that if Management wished to sign-off on these tasks, without taking SEMS recommendations into account, it has authority to do so however ██████ could not be pressurized/coerced/intimidated to sign-off anything which violates rules, procedures or legal and regulatory stipulations; his supervisory/line authority echoed the same stance. ██████ supervisor/line authority also protested to both Head IB & Head HRRM on what was going on, without any rationale or justification. At this point Head HRRM, ██████ advised ██████ that given his stance, the only choice left for him is to sign a resignation letter, there and then, that was already drafted by HR and kept on the table, in front of everyone, and if ██████ does not resign voluntarily, he will be terminated from the services of HBL; she also advised ██████ that if he signs voluntary resignation, he would be paid salary and benefits for a period of 3 months, instead of only one month. In between this comment, she received a call from Head HR operations on her cellphone, ██████ to his query (unheard by any of us), she responded that discussion with ██████ was ongoing and she will advise him if there is a need to issue a termination letter for ██████ Based on this response, it is logically inferred that query of Head HR operations, in all probability, was if they should issue ██████ termination letter; for the ██████ this was an act of grave intimidation, due to which, he was completely flustered.

██████ felt completely humiliated & insulted, with the way Head IB, ██████ and Head HRRM, ██████ tried to intimidate and threaten his employment, giving him instant notice to either resign or get terminated; by overriding the authority of his GM/DH. They did not provide ██████ with any answers, except a remark that "its Management Decision". ██████ implored with ██████ to be true as a human, as this was absolutely wrong at all levels wherein she, being HR, was supposed to be there in a neutral capacity to protect the right of employee, but based on her actions, ██████ understanding proved otherwise. ██████ supervisor also pleaded

Incident of Greenwashing and Failure of Internal Grievance / Independent Redress Mechanism of Habib Bank Limited (HBL)

Date March 4, 2022

with both Head IB and HRRM not to execute this illegal and unauthorized action, as he was not party to it and he had not requested for it. ██████ was equally amazed at how, instead of his own supervisory/line authority, who was kept oblivious of the whole situation, Head IB and HRRM were giving him ultimatums. Both ██████ and his supervisory/line authority tried to reason with them, advising them that this action is against Bank's Policy & procedures and commitments, including HR Policy etc. and even if there was an issue, due process has not been followed; on strong intervention by ██████ supervisor/line authority, he was also intimidated by Head HRRM with the comment that his turn would also come (as he had also already been called by Chief Human Resource Officer, CHRO, for a meeting the next day at his office at 12:00pm). In the end, ██████ and his supervisory/line authority, asked both Head IB and HR, to do as deemed appropriate by them. Thereafter Head HRRM advised ██████ that his termination letter is being issued and his email ID will be blocked and suspended within an hour, he should consider that day as his last working day, he should clear out his desk, there and then and leave the premises of HBL, never to return. Meeting completed, ██████ supervisory/line authority met Head IB & HRRM and reiterated to them to follow any due processes and that he would procedurally approach this absolutely uncalled for action based. ██████ left thinking how such people in Leadership & Grooming roles, blatantly ignore the system or behave in ways, ultra-virus to institutional stature.

In an hour ██████ email was blocked and suspended. When outside the meeting room, GM/DH SEMS assured DGM/Head P&I SEMS, that he will leave no stone unturned to resist this illegitimate action. He also reiterated that this illegal and unauthorized action was due to the memorandums which had submitted to the President and CEO, against the directions of Head CCIBG.

Given the emotional and psychological distress due to this instance (██████ was already barely recovering from Covid-19 infection) and being left without a choice to work due to blocking of his email ID, ██████ under advice of GM/DH SEMS, did not attend office for the remaining week. On Saturday October 02, 2021, Letter of Termination Simplificator (LTS), was delivered at ██████ home address. Careful review of the LTS will clearly highlight, that it does not include ██████ designation as "DGM SEMS/Head Planning & Implementation" nor it notes his function as "SEMS" RATHER it only notes his organizational cadre & indicates his function as "Investment Banking", which is not the case as SEMS Department, as per rules and procedures, is independent of any function, where ██████ was posted; this is deliberate masking of required HR information. On the same day ██████ as per available procedures, wrote to the President and CEO, narrating the detail of this unjust and unfair instance. ██████ also offered to the President and CEO, his 14 years work record with HBL, for any special internal or external investigation/audit, as necessary to assess the circumstances, that have led to this. Subsequently, a reminder message was sent to the President and CEO on October 02, 2021 however no response was received. Thereafter on October 22, 2021, ██████ sent a message to the management whistle blow team to look into the matter. Whilst the whistle blow team did respond, on same day, however their advice was misguiding, as ██████ case was of a different category, as opposed to the direction of the management whistle blow team. ██████ also immediately wrote back on same day, reiterating his case however there was no further response to his email. Accordingly, ██████ on October 27, 2021, after having waited for almost a month and without any recourse, wrote to the Board whistle blow team. ██████ also wrote to other relevant HBL Directors as well as to the Ultimate Beneficiary Owner (UBO) i.e. AKDN.

Violations Assad was being pressurized to make by signing-off Task 2/3/4

- Breaching specific provisos of HBL and IFC loan agreement, dated April 09, 2015
- Breaching specific provisos of Technical Advisory agreement signed by Head IB with IFC, dated May 07, 2021
- Breaching specific provisos of SBP Green Banking Guidelines
- Breaching specific provisos of SBP Compliance Risk Management Guidelines
- Breaching specific provisos of SBP corporate governance
- Breaching specific provisos of SECP corporate governance

Incident of Greenwashing and Failure of Internal Grievance / Independent Redress Mechanism of Habib Bank Limited (HBL)

Date March 4, 2022

Violations by Bank officials highlighting wrongful/illegal/unauthorized actions

- Breaching specific requirements of CDC Group Plc UK (Shareholder)
- Breaching specific provisos of SBP corporate governance
- Breaching specific provisos of HBL Social and Environmental Policy (IFC PS 1&2)
- Breaching specific provisos of HBL Human Resources Policy and Manual (Termination)
- Breaching specific provisos of HBL Staff Service Rules
- Breaching specific provisos of HBL Policy on Ethics and Business Conduct
- Breaching specific provisos of HBL Whistle Blow Policy
- Breaching specific provisos of HBL Grievance procedures / processes
- Breaching specific provisos of Industrial Relations Ordinance
- Breaching specific provisos of Industrial and Commercial Employment Ordinance

Note:

Additional written record may be called upon as deemed necessary.

Inactions of HBL Board, President and Senior Management Failure of HBL Redress Mechanism

There was NIL positive attempt or recourse on part of any relevant individual in HBL Board and Management, to try to understand the situation and resolve it meaningfully, in fact, as stated in the above Statement, on October 29, 2021 Head/GM SEMS was also terminated (Simplicitor) and escorted out of HBL Head Office Premises by Guards (later he described it as nothing less than human degradation and intimidation) – refer communication at all levels by;

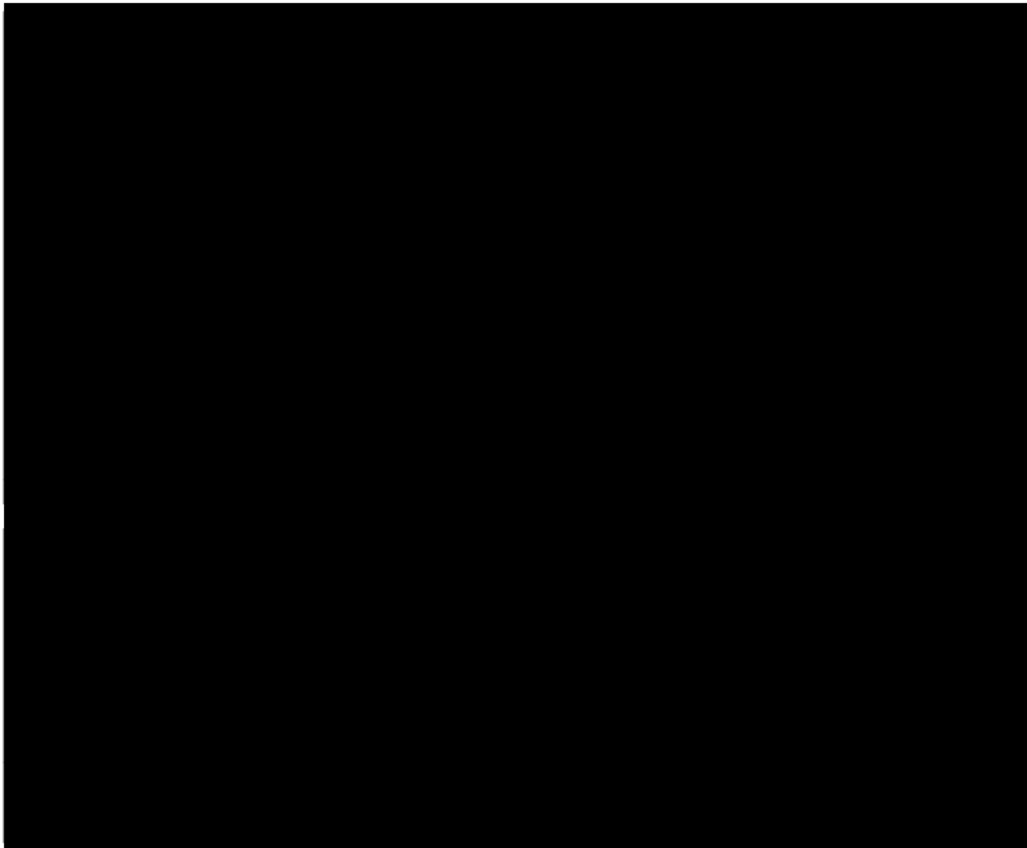
1. Endeavors of Line Authority - [REDACTED] – Head/GM – Social and Environmental Management Systems (SEMS)

Correspondence Trail 1 – as per HBL Whistle Blow Policy



**Incident of Greenwashing and Failure of Internal Grievance / Independent Redress
Mechanism of Habib Bank Limited (HBL)**

Date March 4, 2022



**Matter Requires Immediate Attention (MRIA) through Independent Investigation and Evaluation by
IFC / CDC Group UK / SBP / SECP**

Based on the detailed information and documentation made available with this letter as well as with respect to Principles on Ethical and Responsible Investing etc., HBL Shareholders are being made aware of the matter with the intention that unless the matter is redressed Impartially, it has the potential to lead to the following, amongst others;

1. Make current IFC investments in Pakistan, susceptible to E&S issues creating Financial, Reputational, Credit and Liability risks, that may give rise to unwanted Civil Rights litigations
2. Breach IFCs Operating Principles for Impact Measurement and Performance Standards, hurting the image of IFCs MCPP program and its investors
3. Render IFC's "stamp of approval" and environmental and social leadership being issued to borrowers, as Greenwashing
4. Indirectly affect IFCs future forward MCPP One Planet objectives

Making frameworks is not enough; measuring its progressive delivery is even more crucial to achieve results and for success. Don't just show the concern, demonstrate it; is this the "walk the talk" message HBL or its Shareholders wish to convey? I believe that actions speak louder than words; I follow this mantra; fathers gift!

Incident of Greenwashing and Failure of Internal Grievance / Independent Redress Mechanism of Habib Bank Limited (HBL)

Date March 4, 2022

Previous Supervisors at HBL

Direct Line (HBL HR records may be referred for assessing agreed self-appraisal with supervisors)

1. ██████████ – GM/Head International Banking HBL & Banking Chair ICC Pakistan
2. ██████████ – Chief Compliance Officer Askari Commercial Bank Limited – Ex-Head/GM Business and International Compliance HBL
3. ██████████ – Independent Director – Ministry of Finance (MoF) – Ex-Head/ GM Network Management International Banking
4. ██████████ – Ex-GM/ Head – Service Quality and Network Planning & Services

Dotted Line – Direct interaction with each individual (HBL HR records may be referred for assessing appraisal agreed between supervisors and group head)

1. ██████████ – Ex-Chief Compliance Officer HBL
2. ██████████ – Chief Compliance Officer National Bank of Pakistan (NBP) and Ex-Chief Compliance Officer HBL
3. ██████████ – Ex-Chief Compliance Officer and Chief Internal Auditor (CIA) HBL
4. ██████████ – Ex-Chief Compliance Officer, Ex-Director ECO Bank and Ex-Chief Operations Officer and nominee Director ABN AMRO Bank, Pakistan Country Operations
5. ██████████ – National Transmission and Dispatch Company Limited, Ex-President & CEO HBL
6. ██████████ – Ex-President Askari Commercial Bank Limited and Ex-Group Head Retail/Ex-Group Head Operations HBL

While at HBL, ██████████ also had direct interactions with;

1. ██████████ – Ex Governor SBP and Ex-Regional General Manager HBL
2. ██████████ – Deputy Governor SBP, Ex-President United Bank Limited (UBL), Ex-Head Retail and Corporate Commercial and investment banking Head HBL
3. ██████████ – HBL Nominee Director HBL at First Women Bank Pakistan, Senior Credit Officer (SCO)/GM Risk HBL
4. ██████████ – Company Secy. ICI Pakistan and Ex-Company Secy./Head Legal HBL
5. ██████████ – Chief Compliance Officer and Ex-Chief Internal Auditor HBL
6. ██████████ – CDC (UK) Country Director, Ex-Regional General Manager Bangladesh and Afghanistan HBL
7. ██████████ – HBL UK (Zurich Branch)
8. ██████████ – Compliance Head HBL UK (London)

Post Script Emotions

I feel insulted, humiliated, de-humanized as HBL's Board Chairman, other Directors, President & CEO or other senior management members showed no empathy and adopted an almost master-slave treatment (contrary to anti-slavery act). I was doing extremely well prior to moving to HBL SEMS, in fact, my promotion to Deputy General Manager – II was due as per regular appraisal cycle 2021. My colleagues were unable to understand why I was making this career changing decision however I knew and bravely decided to become the Custodian and Guardian of IFC PS / GBG / CDC PRI / GoP MLAs etc. Standards and obligation HBL decided to adhere to; I guess it was my way of wanting to give back (apart from Thought Leadership and Future forward career move).

Due to vested interests, in an instant I was deprived of my primary and only (i) source of income (ii) source of wealth (iii) insurance cover for self and family, leaving me and family vulnerable in such trying times, such as

**Incident of Greenwashing and Failure of Internal Grievance / Independent Redress
Mechanism of Habib Bank Limited (HBL)**

Date March 4, 2022

Corona Virus Global pandemic – we have been surviving on savings which we put away (so far) as our Children's higher/college education fund.

Regulators and Shareholders and all other concerned are thereby asked whether;

1. This acceptable behavior and not Sanctioned Practices along with Greenwashing?
2. Such actions are considered humane and rationale?
3. These are consistent with their Principles and Standard?
4. This systematic abuse is liable to be termed as consistent with clauses of anti-slavery?
5. This is not absolute discrimination and grave injustice?

I rest my case for any Independent evaluation of circumstances by those genuinely considered as responsible.

[Redacted]

[Redacted]

S/O Air Vice Marshal (Retd.) [Redacted] PAF
Citizen of Pakistan