

## PART 5: SOCIAL RESPONSIBILITY & COMPLIANCE

### CORPORATE SOCIAL RESPONSIBILITY (CSR) & MERCANTILE BANK FOUNDATION

#### STRATEGIC PHILOSOPHY: PURPOSE BEYOND PROFIT

At Mercantile Bank PLC (MBPLC), we firmly believe that the true measure of a systemic financial institution's success extends far beyond its balance sheet and core financial performance. Our corporate ethos is fundamentally anchored in the "Triple Bottom Line" (3P) framework—prioritizing People, Planet, and Profit. This philosophy dictates that our economic value creation must be inextricably linked with the social and environmental upliftment of the communities in which we operate.

MBPLC performs its Corporate Social Responsibilities (CSR) and other voluntary, charitable activities in strict adherence to the guidelines of Bangladesh Bank and overarching regulatory frameworks designed for the welfare of society.

In alignment with the United Nations Sustainable Development Goals (SDGs), the Bank has strategically modernized its CSR initiatives. We are actively transitioning away from traditional, ad-hoc charitable giving towards sustainable, scalable, and impact-driven social investments. This paradigm shift ensures that our social expenditures act as a long-term catalyst for community resilience, inclusive growth, and environmental stewardship, thereby creating shared prosperity that outlasts any single financial year.

#### FOUNDATION MANDATE CALL-OUTS

##### CORE MANDATE & OBJECTIVES OF THE FOUNDATION

The Mercantile Bank Foundation meticulously directs its resources to achieve the following highly targeted socioeconomic objectives:

**1 Poverty Alleviation & Disaster Rehabilitation**

Delivering immediate monetary and logistical assistance for the rehabilitation of individuals affected by natural disasters, while actively funding initiatives to help unemployed youth become self-sufficient.

**2 Educational Empowerment**

Promoting educational and scientific advancement by establishing institutions and providing critical scholarships to poor, highly deserving students.

**3 Healthcare Access**

Funding the establishment of hospitals and clinics to support the national health sector, alongside providing direct financial endowments to ailing, impoverished patients.

**4 Social Welfare & Cultural Patronage**

Assisting orphans and mentally challenged children, providing financial support to poor fathers for their daughters' marriages, and formally recognizing scholars, writers, and artists for their outstanding contributions to Bengali literature and culture.

#### CSR FINANCIAL OVERVIEW & STRATEGIC ALLOCATION (2025)

##### TARGETED CAPITAL DEPLOYMENT FOR SOCIAL EQUITY

In 2025, despite navigating a complex macroeconomic environment, MBPLC reinforced its commitment to social equity and community resilience. During the year, the Bank strategically deployed a

### THE MERCANTILE BANK FOUNDATION: THE EXECUTION ENGINE

#### OPERATIONAL TRANSPARENCY AND GOVERNANCE COMPLIANCE

Since its inception in 2000, the Mercantile Bank Foundation (MBF) has served as the Bank's dedicated philanthropic arm and the primary operational vehicle for executing our community investments.

By centralizing our Corporate Social Responsibility (CSR) initiatives through the Foundation, MBPLC ensures strict, structural compliance with Bangladesh Bank's CSR governance guidelines. This framework guarantees that community investments are channeled efficiently, transparently, and objectively. Most importantly, it keeps philanthropic activities operationally distinct, ensuring that social fund allocations remain free from undue administrative or Board-level intervention—a critical compliance metric monitored by the central bank.

For over 25 years, the Foundation has successfully transitioned our social initiatives from ad-hoc charity to organized, standardized, and sustainable programs designed to break the cycle of poverty. Today, the MBF acts as a vital bridge, promoting continuous and constructive dialogue between the Bank and the marginalized communities we serve.

total of BDT 242.40 Million towards high-impact Corporate Social Responsibility (CSR) initiatives.

Rather than dispersing these funds arbitrarily, the Mercantile Bank Foundation meticulously allocated the capital across four highly targeted thematic sectors, ensuring maximum alignment with national development priorities and the UN SDGs.

#### CSR EXPENDITURE DASHBOARD

Strategic CSR Sectors	2025 Allocation (BDT in Million)	% of Total Portfolio
Education	2.00	0.83%
Health	3.70	1.52%
Environment & Climate Change Mitigation	1.00	0.42%
Disaster Management & Other Sectors	235.70	97.23%
<b>Total CSR Expenditure</b>	<b>242.40</b>	<b>100%</b>

## REGULATORY COMPLIANCE CALL-OUTS

Bangladesh Bank Compliance Mandates Achieved: To ensure inclusive, grassroots development, Bangladesh Bank enforces strict qualitative parameters regarding how financial institutions distribute their CSR funds. In 2025, MBPLC proudly reported 100% compliance with these directives:

- Rural & Marginalized Allocation Target: MBPLC successfully fulfilled the regulatory mandate requiring that a minimum of 25% of total CSR expenditure must be directed to rural and marginalized areas. By heavily financing agricultural communities and flood-affected remote regions, the Bank ensured that its social capital reached the most vulnerable demographics.

## THEMATIC IMPACT CARDS

### PILLAR 1: CLIMATE RESILIENCE & DISASTER RELIEF (BDT 235.70 MILLION)

Accounting for an overwhelming 97.23% of our total CSR portfolio, disaster management remains our most critical social intervention. Recognizing the severe vulnerability of Bangladesh to climate hazards, MBPLC aggressively mobilized emergency funds to protect at-risk populations.

- Flood Relief & Rehabilitation: The Bank executed extensive, on-ground flood relief operations to support destitute communities in heavily affected coastal and rural belts (including major relief distribution in Bauphal, Patuakhali).
- Emergency Winter Support: To protect marginalized demographics from severe seasonal vulnerabilities, the Foundation successfully procured and distributed winter blankets across remote regions, directly shielding the rural poor from extreme cold snaps.
- Anti-Discrimination Movement Support: The Bank also allocated BDT 2.00 Million to assist families of those martyred or critically injured during the national anti-discrimination movement.

### PILLAR 2: COMMUNITY HEALTH & MEDICAL ASSISTANCE (BDT 3.70 MILLION)

## IN-HOUSE CSR COMPLIANCE CHECKLIST

### INTERNAL SOCIAL RESPONSIBILITY (IN-HOUSE CSR)

MBPLC firmly believes that sustainable social impact must begin within our own organization. In strict adherence to

the Bangladesh Bank Sustainable Finance Department (SFD) guidelines for "In-House CSR Activities," the Bank maintains a robust, equitable, and highly supportive workplace environment:



#### Championing Gender Diversity (25.21% Female Workforce)

The central bank mandates a minimum 20% female representation in the workplace. MBPLC has comfortably exceeded this regulatory benchmark, proudly maintaining a highly diverse workforce where 25.21% of our total employees are women.



#### Employee Welfare & Education

The Bank actively funds scholarships for the children of our employees, ensuring their access to premium educational opportunities.



#### Healthcare for Dependents

We provide comprehensive medical facilities and emergency health support not just for our staff, but extended to their dependents.



#### Workplace Safety & Daycare

MBPLC enforces a strict zero-tolerance anti-harassment policy, ensures rigorous physical safety measures across all 153 branches, and actively facilitates Daycare Center access for working parents.

- Transparent Disclosure: All CSR activities have been fully disclosed in this Annual Report and across official print/electronic media channels, ensuring complete institutional transparency.

## CORE IMPACT PILLARS: THEMATIC BREAKDOWN OF 2025 SOCIAL INVESTMENTS

To translate our BDT 242.40 Million social investment budget into measurable grassroots impact, the Mercantile Bank Foundation executed programs across four external thematic pillars and one internal corporate pillar.

We recognize that the imbalance between household income and rising healthcare costs frequently pushes vulnerable families below the poverty line. In 2025, MBPLC deployed BDT 3.70 Million to fund essential medical services and provide direct financial assistance to underprivileged, ailing patients suffering from severe diseases, ensuring they received life-saving interventions.

### PILLAR 3: EDUCATIONAL EMPOWERMENT & INCLUSION (BDT 2.00 MILLION)

Education is the most powerful catalyst for breaking the cycle of generational poverty. The Bank invested BDT 2.00 Million to fund scholarships for poor, highly deserving students. Furthermore, prioritizing inclusive education, the Bank provided dedicated financial grants to the Society for the Welfare of Autistic Children (SWAC) to support neurodivergent learners.

### PILLAR 4: ENVIRONMENTAL PROTECTION & INFRASTRUCTURE (BDT 1.00 MILLION)

To support national infrastructure and promote sustainable workplace environments, the Bank allocated BDT 1.00 Million toward specialized projects, including funding the establishment of a modern Day Care Center at the Bangladesh Economic Zones Authority (BEZA) office.