

2023 

Khaleeji Bank ESG Report

Building a Better Tomorrow

KHALEEJI 

Contents

About this Report	3	Climate Risk Assessment	28
About Khaleeji Bank	4	SOCIAL	31
Khaleeji Bank's Commitment to Sustainability	5	Workforce Composition and Diversity Employee	32
CEO Message	6	Training Development	36
Key Highlights of ESG Achievements	7	Ethical Labor Practices & Human Rights	38
Future ESG Goals	8	Community Investments and CSR	39
Mission, Vision, & Values	9	Customer Experience & Satisfaction	42
Engaging our Stakeholders	10	Data Privacy and Customer Protection	45
Sustainability in Khaleeji Bank	11	Employee Health and Safety	47
ESG Framework	12	Diversity and Inclusion Initiatives	49
SDG Alignment	13	Social Performance and Reporting	50
ENVIRONMENTAL	14	Social Goals and Future Initiatives	51
Key Environmental Achievements in 2023	15	GOVERNANCE	53
Performance & Progress	16	Corporate Governance Structure & Leadership	54
Environmental Governance and Strategy	17	Risk Management and Compliance Framework	56
Energy Management and Consumption	18	Ethical Governance and Transparency Initiatives	58
Energy Efficiency and Climate Risk	19	Board Performance and Evaluation	60
Greenhouse Gas Emissions Monitoring & Reduction	20	Remuneration Governance and Compensation Policy	62
Financed Emissions	23	Appendices	64
Waste Management	24	CBB Index	65
Water Consumption and Management	26	GRI Index Table	72

About this Report

This report provides a detailed account of Khaleeji Bank's environmental, social, and governance (ESG) practices throughout 2023, emphasizing the Bank's role in fostering sustainable development in Bahrain. It outlines how ESG principles are seamlessly integrated into daily operations, covering activities from January 1, 2023, to December 31, 2023. The report aligns with globally accepted frameworks, including the Global Reporting Initiative (GRI) Standards and the Bahrain Bourse ESG Reporting Guide, while also showcasing the Bank's support for international and national goals like the United Nations Sustainable Development Goals (SDGs) and Bahrain Vision 2030.

In compliance with recognized reporting frameworks, this report adheres to the Global Reporting Initiative (GRI) Standards and the Bahrain Bourse ESG Reporting Guide. It presents comprehensive insights on key ESG issues relevant to both Khaleeji Bank and its stakeholders. Additionally, the alignment with the SDGs and Bahrain Vision 2030 underscores the Bank's strategic focus on sustainable development and long-term value creation.

Stakeholders and Materiality Matrix:

Khaleeji Bank's stakeholders include customers, employees, investors, regulators, government entities, suppliers, and the broader society. The Bank conducted a materiality assessment to identify and prioritize the ESG issues most relevant to its operations and stakeholders. This assessment highlighted 14 material topics that significantly impact Khaleeji's business and the communities it serves.



About Khaleeji Bank

Khaleeji Bank B.S.C. (formerly Khaleeji Commercial Bank B.S.C.) is a leading Islamic Bank headquartered in the Kingdom of Bahrain. Established in 2004 and operating under an Islamic retail banking license granted by the Central Bank of Bahrain, Khaleeji Bank has rapidly grown to become a key player in the Bahraini financial sector.

Core Business:

The Bank's principal activities include providing a comprehensive mix of Shari'a-compliant commercial and investment banking products and services. These range from traditional financing products to innovative structured investment solutions, catering to both retail and corporate clients.

Network and Reach:

Khaleeji Bank operates through a network of four strategically located branches in Hidd, Juffair, Sanad, and Riffa. To enhance accessibility for its customers, the Bank also maintains eight ATMs distributed across the Kingdom. This physical presence is complemented by robust digital banking services, allowing the Bank to serve its clients efficiently and conveniently.

Ownership and Listing:

As of 31 December 2023, Khaleeji Bank is 85.41% owned by GFH Financial Group B.S.C., a prominent Bahraini investment Bank. The Bank's shares are publicly traded on the Bahrain Bourse, promoting transparency and providing investment opportunities to the public.

Products and Services:

Khaleeji Bank offers a diverse range of products and services, including:

- Retail and corporate banking
- Consumer finance
- Project financing facilities

All these offerings strictly comply with Islamic Shari'a rules and principles, as determined by the Bank's Shari'a Supervisory Board.

Khaleeji Bank's Commitment to Sustainability

Recent Developments:

In 2023, as part of a broader group restructuring initiative, the Bank rebranded from "Khaleeji Commercial Bank B.S.C." to "Khaleeji Bank B.S.C." This change reflects the Bank's evolving identity and its commitment to innovation in the Islamic banking sector.

Commitment to Sustainability:

Khaleeji Bank is dedicated to integrating sustainability principles into its core operations. The Bank recognizes its role in supporting Bahrain's economic development while adhering to responsible banking practices. Through its various initiatives, Khaleeji Bank aims to contribute positively to the community, support environmental conservation, and promote ethical financial practices.

Innovation and Technology:

The Bank continually invests in cutting-edge technology to enhance its service offerings and operational efficiency. This focus on innovation allows Khaleeji Bank to meet the evolving needs of its customers while maintaining its competitive edge in the market.

Regulatory Compliance:

Khaleeji Bank operates under the regulatory framework set by the Central Bank of Bahrain, ensuring adherence to the highest standards of banking practices and corporate governance. The Bank's activities are also supervised by a Shari'a Supervisory Board to ensure compliance with Islamic principles in all its operations.

Through its comprehensive range of services, strong market presence, and commitment to Islamic banking principles, Khaleeji Bank continues to play a vital role in Bahrain's financial landscape, supporting the Kingdom's economic growth while delivering value to its stakeholders.

CEO Message



In 2023, Khaleeji Bank continued to solidify its position as a leader in sustainable banking, further advancing our commitment to integrating ESG principles into every facet of our operations. Building on the foundation laid in previous years, we achieved several key milestones that reflect our dedication to responsible banking and sustainable growth.

Our commitment to sustainability was further demonstrated by the successful implementation of advanced energy management systems and continued efforts to minimize waste across our operations. In 2023, we also placed a strong emphasis on empowering our employees and fostering a culture of continuous learning. Our expanded ESG training programs have ensured that our workforce is not only aware of the importance of sustainability but is actively contributing to our ESG objectives.

Our role as a responsible corporate citizen remains at the forefront of our strategy. This year, we deepened our community engagement initiatives, with a particular focus on supporting educational programs, women's empowerment, and youth development. These initiatives are a testament to our belief that sustainable growth is not just about financial performance but also about making a positive impact on society.

As we look ahead, Khaleeji Bank is committed to continuing its journey towards building a more sustainable future. We will remain focused on aligning our business strategies with global ESG standards, ensuring that we deliver long-term value to our stakeholders while contributing to the prosperity of the communities we serve.

Sincerely,

Sattam Sulaiman Algosai
Chief Executive Officer
Khaleeji Bank

Key Highlights of ESG Achievements

Fostering Growth & Innovation

- ◆ **BD 9.05 Million** net profit.
- ◆ Part of Tamkeen's Solar Financing Scheme.
- ◆ Sponsored programmes such as Injaz Bahrain's 2023 Young Entrepreneurs Competition and TradeQuest to empower young people.
- ◆ Initiated the "Branch Workspace Portal" and the electronic signature system.
- ◆ **61%** increase in the percentage of digitally active customers compared to 2022.
- ◆ **113%** of transactions were online or mobile transactions

Nurturing Our People & Preserving the Planet

- ◆ **18.02 hrs** average training hours were delivered to employees.
- ◆ **35.3%** of the workforce are women.
- ◆ **20.59%** of the workforce are under 30 years old.
- ◆ **95.9%** of the workforce are Bahraini.
- ◆ No formal grievances were filed regarding incidents of discrimination or harassment.
- ◆ GHG emission intensity stood at **143 tCO₂ eq** per employee.
- ◆ Partnered with a third-party service provider to manage our waste generation.

Ethical Governance & Meaningful Engagement

- ◆ **Zero** confirmed incidents of corruption were identified.
- ◆ Updated information security policies and procedures to align with the National Institute of Standards and Technology (NIST) framework.
- ◆ **25%** decrease in customer complaints compared to 2022.
- ◆ Introduced a customer self-service Know Your Customer (KYC) Kiosk to streamline processes.
- ◆ Sponsored 27 community projects, further strengthening local engagement.
- ◆ **124,847 BD** invested in community initiatives, marking a **92.07%** increase from last year.

Future ESG Goals

Environmental Goals:

Continue advancing paperless banking and increase adoption of sustainable energy practices.



Social Goals:

Expand employee development programs and strengthen community outreach initiatives.

Governance Goals:

Integrate ESG metrics into executive performance evaluations and enhance stakeholder engagement efforts.



Mission, Vision, & Values

Vision:



Khaleeji Bank aims to become Bahrain's most trusted Islamic Bank by 2028, recognized as the 'Bank of choice' for innovative and customer-centric financial solutions.

Mission:

To be a key player in the development of Bahrain's economy and contribute to the growth of Islamic banking by offering Shari'a-compliant financial products and services that deliver optimal value to clients and shareholders.



Values:

Strong:

Adaptability and resilience in changing market conditions.

Stable:

Sustained growth and expansion in key markets.

Trustworthy:

Building long-term relationships with clients by meeting their diverse needs.

Optimistic:

Maintaining a positive outlook in the face of financial uncertainty.

Composed:

Exercising poise and expertise in Islamic banking practices.



Our mission, vision, and values are intrinsically linked to our commitment to sustainability. We believe that by adhering to these principles, we can create long-term value for our stakeholders while contributing positively to society and the environment.

Engaging our Stakeholders

Khaleeji Bank aims to become Bahrain's most trusted Islamic Bank by 2028, recognized as the 'Bank of choice' for innovative and customer-centric financial solution. Our stakeholders are at the centre of all we do to ensure that we build and maintain strong relationships with them all. These include people who are directly impacted by our business and operations, as well as those who are indirectly impacted in the communities we serve.nancial solutions.



Khaleeji's Materiality Assessment Topics

- 1•Governance and business ethics
- 2•Systemic risk management
- 3•Financial performance
- 4•Customer engagement
- 5•Data privacy and security
- 6•Employee wellbeing
- 7•Responsible banking
- 8•Training and development
- 9•Digitalisation and innovation
- 10•Community development
- 11•Financial inclusion and
- 12•Accessibility
- 13•Diversity and inclusion
- 14•Environmental footprint
- 15•Responsible procurement

Sustainability in Khaleeji Bank

Sustainability Strategy

Khaleeji Bank's sustainability strategy in 2023 remained focused on enhancing operational efficiency, minimizing environmental impacts, and bolstering the social well-being of the communities it serves.

The strategy continued to emphasize the seamless integration of ESG considerations across all aspects of the Bank's operations, including financial services, community involvement, and corporate governance.

Throughout the year, Khaleeji Bank made significant strides in advancing this strategy, particularly by expanding its sustainable financing portfolio, deepening its commitment to employee development, and reinforcing its initiatives to support community resilience and environmental stewardship.

In 2023, Khaleeji Bank reinforced its commitment to ambitious sustainability goals that steer its long-term strategy. These goals focused on further reducing the Bank's carbon footprint, expanding investments in sustainable projects, and continuing efforts to enhance financial inclusion through innovative banking solutions. The Bank also deepened its commitment to community development, aiming to create a lasting positive impact, while upholding and promoting responsible banking practices across all operations.

Sustainability Goals

ESG Framework

The ESG framework is designed to embed environmental, social, and governance principles across every level of our operations. This structure defines Khaleeji Bank's impact areas and provides a systematic approach to managing these responsibilities, ensuring sustainable and positive outcomes. Built upon three foundational pillars, the framework aligns with our corporate strategy, addressing stakeholder needs and expectations while supporting our core ESG commitments and priority topics.

ESG Framework

**Corporate
Governance &
Customer Centricity**

**Resilient
Sustainable
Business Practices**

**Embracing Growth
and Innovating
for the Future**

Material Topics

- Governance and business ethics
- Systemic risk management
- Data privacy and security
- Customer engagement
- Community development

- Environmental footprint
- Employee wellbeing
- Training and development
- Diversity and inclusion

- Financial performance
- Financial inclusion and accessibility
- Responsible banking
- Digitalisation and innovation
- Responsible procurement

SDG Alignment

1. SDG Alignment Across Key Areas

Affordable and Clean Energy

- ◆ The Bank continues to explore ways to enhance energy efficiency and adopt renewable energy solutions within its operations.
- ◆ Cloud-based systems and paperless initiatives reflect the Bank's commitment to reducing its environmental impact.

Decent Work and Economic Growth

- ◆ Khaleeji Bank fosters an inclusive work environment that supports local talent development and encourages gender equality.
- ◆ Employee engagement and training initiatives reflect the Bank's dedication to creating growth opportunities for all staff.

Responsible Consumption and Production

- ◆ The Bank's shift towards digital banking enables significant reductions in resource consumption, promoting more sustainable practices.
- ◆ Internal efforts focus on reducing waste and enhancing recycling processes to minimize the environmental footprint.

Climate Action

- ◆ Khaleeji Bank integrates climate risk assessments into its governance framework, ensuring resilience against environmental challenges.
- ◆ The Bank promotes sustainable finance practices to support the transition to a low-carbon economy.



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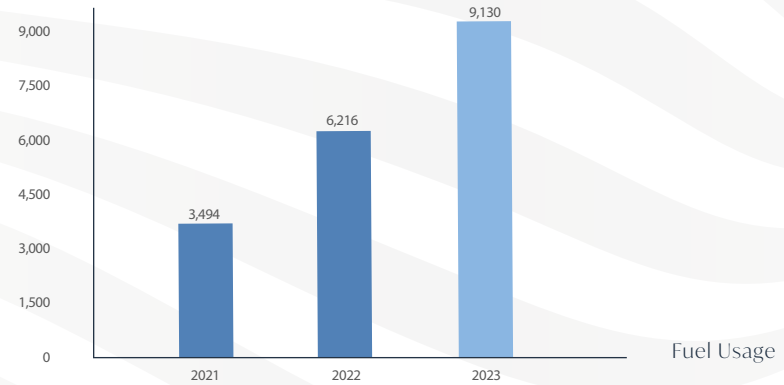
ENVIRONMENTAL

Key Environmental Achievements in 2023

- In 2023, Khaleeji Bank demonstrated meaningful progress toward operational sustainability. The Bank focused on promoting digital processes as part of its strategy to reduce paper consumption and overall resource use. Digitalization efforts represent a significant step in Khaleeji Bank's long-term goal of becoming a more resource-efficient financial institution.
- Additionally, the Bank has taken steps to optimize energy use, ensuring that operations are conducted efficiently while keeping environmental impact in check. The Bank aims to incorporate sustainable design principles into future developments. This reflects Khaleeji Bank's ongoing commitment to operational sustainability and environmental responsibility.

The GHG protocol has been used as the applicable standard for all calculations and assessments.

Total Direct Energy Consumption



Energy	Units	2021	2022	2023
Direct energy consumption				
Petrol Consumption from vehicles	L	3,494	6,216	9,130
Total Direct Energy Consumption	GJ	117.1	208.4	306.1
Indirect energy consumption				
Electricity consumption (Office, storage, facilities, etc.)	kWh	38,825,472	45,333,018	34,824,862
Total indirect energy consumption	GJ	139,772	163,199	125,370
Energy consumption intensity	GJ/employee	823	973	737



Performance and Progress

Considering the profile of the past few years, it is indicative that consumption of Fuel has increased, owing to increased operations. It can be noticed that electricity consumption has reduced in certain offices, owing to a marked reduction in overall electricity consumption. The energy usage is thereby reduced as electricity usage was the larger contributing parameter in energy consumption. Efforts are underway to reduce the fuel usage and understand how travel can be further optimized. These statistics will be further fine tuned in the coming year with the inclusion of business travel and few Scope 3 categories to better understand the energy usage profile and derive the correct steps for overall mitigation.

- Total Energy Consumption (Gj):
125,676
- Energy Intensity (Gj/Employee)
737



Environmental Governance and Strategy

At Khaleeji Bank, sustainability is not just an objective but a key part of the Bank's operational philosophy, aligned with Bahrain Vision 2030. The Bank recognizes the importance of reducing its environmental footprint by embedding sustainable practices across all areas of its operations. Khaleeji Bank seeks to contribute to national and global environmental goals through energy optimization, effective climate risk management, and a continuous focus on operational sustainability.

- The Bank's approach to environmental sustainability is guided by a robust governance structure, ensuring that sustainability efforts are monitored and assessed at the highest levels. Environmental oversight is integrated into the ESG governance framework, with the Board of Directors and senior management regularly reviewing environmental performance and aligning goals with national sustainability frameworks.
- Policies and strategies are designed to meet both regulatory requirements and long-term environmental objectives, ensuring Khaleeji Bank's operations contribute meaningfully to a more sustainable economy. The Bank actively tracks emerging environmental trends and regulatory changes, making sure it stays ahead of evolving requirements and industry standards.
- Environmental targets are embedded into daily operations, with measurable goals established to ensure transparency and accountability across departments.



Energy Management & Consumption

Khaleeji Bank is committed to reducing energy consumption through efficient practices that align with both national and global environmental standards. Energy management plays a crucial role in the bank's sustainability strategy, as it not only lowers operational costs but also contributes to reducing its environmental impact.

The bank has introduced initiatives to streamline energy use across branches and offices, ensuring that operations remain efficient without compromising service quality. These efforts reflect Khaleeji Bank's recognition of the importance of sustainable energy practices in a sector that increasingly values environmental responsibility.

- Electricity bills of all facilities are assessed for trends in consumption and reasons for increased usage are tracked.
- The Bank is working towards establishing clear energy benchmarks using standardized kwh/sqft measurement from similar establishments, ensuring that usage remains within sustainable limits.
- The Bank may also explore the possibility of acquiring carbon credits for the unavoidable emissions arising out of energy consumption that cannot be reduced any further.



Energy Efficiency and Climate Risk

- In its pursuit of operational efficiency, Khaleeji Bank is committed to identifying energy-saving opportunities and reducing resource consumption. While specific data on current energy use is still being collected, the Bank continues to explore and adopt methods that will help streamline energy management practices across its branches and facilities.
- Climate-related risks are managed proactively within the Bank's Enterprise Risk Management (ERM) framework, ensuring that environmental risks are considered in strategic decisions. Regular scenario analysis helps the Bank assess how climate risks might impact its operations, enabling informed decisions that safeguard both business continuity and environmental goals.
- Khaleeji Bank remains dedicated to mitigating climate-related risks by continuously monitoring national environmental developments and adjusting its operations to align with future climate resilience standards. The Bank's commitment to sustainable growth means exploring initiatives for its branches and evaluating the environmental impact of key business activities.



Greenhouse Gas Emissions Monitoring & Reduction

Khaleeji Bank recognizes the growing importance of tracking and reducing GHG emissions as part of its commitment to environmental sustainability. Reducing emissions is not only essential to meeting regulatory standards but also aligns with Bahrain's national goals and global climate commitments.

To fulfill these commitments, Khaleeji Bank is in the process of gathering emissions data to accurately assess its carbon footprint. This initiative will provide insights into the areas of operation contributing the most to emissions and help the Bank design targeted strategies for reduction.



1. Emission Monitoring Framework

The Bank's GHG monitoring framework captures emissions across the value chain, providing a clear view of operational and indirect environmental impacts. The Bank has calculated the emissions in line with the GHG protocol methodology.

Scope 1 Emissions:

Direct emissions from on-site activities, such as fuel consumption for facilities and vehicles.

Scope 2 Emissions:

Indirect emissions from purchased energy sources, such as electricity used across branches and offices.

Scope 3 Emissions:

Indirect emissions from external activities, including supply chain operations, business travel, and employee commuting.

By accurately tracking emissions across all scopes, the Bank ensures alignment with national climate goals and international sustainability frameworks.



2. Reduction Initiatives and Progress

Khaleeji Bank has implemented several measures to reduce its carbon footprint:

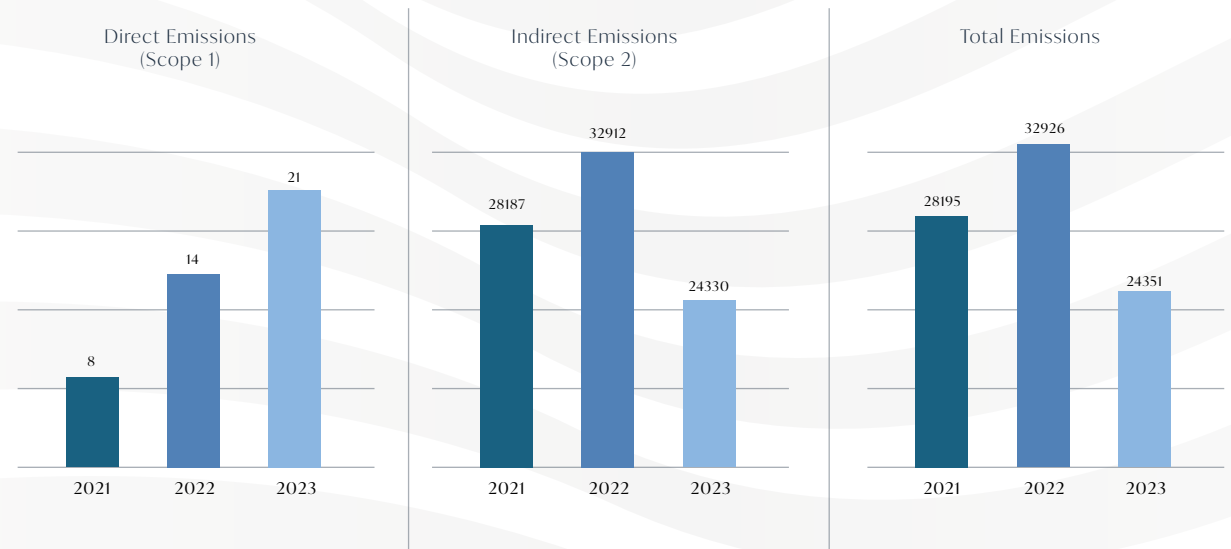
- **Energy Optimization:**
Energy-saving initiatives, such as improved energy management practices, have resulted in operational efficiencies across branches and offices.
- **Digital Transformation:**
The shift to paperless operations has reduced emissions from printing and physical documentation.
- **Sustainable Partnerships:**
The Bank works closely with vendors and partners to promote sustainable practices, reducing indirect emissions throughout the supply chain.

3. Current Emissions Data and Targets

The following data represents the Bank's current carbon footprint and the goals established to further reduce emissions:

- **Scope 1 Emissions:**
21 metric tons CO₂e
- **Scope 2 Emissions:**
24,330 metric tons CO₂e
- **Emission Intensity**
143 tons CO₂e / Employee

Our Carbon Footprint:



Financed Emissions

As part of our commitment to sustainability, we will initiate the assessment of our financed emissions to better understand the climate impact of our portfolios. By evaluating the carbon footprint of our financed activities, we aim to identify key areas where we can drive meaningful change and reduce climate-related risks. The results of these assessments will provide critical insights into our portfolio's exposure to carbon-intensive sectors, enabling us to make more informed decisions and design financial products that promote sustainable practices.

These efforts align with the Middle East's net-zero ambitions and regional sustainability initiatives, demonstrating our commitment to transparency by disclosing findings in future sustainability reports. Assessing and managing financed emissions is not only our responsibility but also an opportunity to create value for stakeholders. Through this initiative, we aim to position ourselves as a leader in sustainable finance, delivering products that align with environmental and societal priorities.



Waste Management

This section addresses Khaleeji Bank's efforts in managing waste to reduce its environmental footprint. The focus is on minimizing waste generation and improving recycling practices within the Bank's operations.

Khaleeji Bank is dedicated to minimizing waste and promoting sustainable practices across its operations. The Bank recognizes the importance of responsible waste management in reducing environmental impact and aligns its practices with national sustainability standards.

1. Waste Reduction Initiatives

The Bank is actively working to reduce waste generation by promoting digital workflows and sustainable consumption practices across its facilities.

Paper Reduction:

- A Bank-wide shift toward digital processes has significantly reduced paper usage in both internal and customer-facing operations.
- The Bank is tracking its paper usage and actively working on plans to minimize it.

Operational Efficiency:

- Waste audits are conducted periodically to identify areas for improvement in waste handling and disposal practices across branches.
- Staff are trained on waste reduction techniques and resource optimization strategies to minimize waste generation.



2. Recycling and Circular Economy Efforts

Recycling Programs:

- Khaleeji Bank has implemented a comprehensive recycling program across offices and branches, with designated recycling bins for paper, plastics, and e-waste.
- The banks has partnered with a waste management company that collects and recycles the waste from multiple branches with monthly reporting.

E-Waste Management:

- The Bank ensures responsible disposal of electronic waste (e-waste) by partnering with certified recyclers.
- Efforts are underway to introduce policies for reuse and refurbishment of IT equipment, further aligning operations with circular economy principles.

3. Waste Management Data and Targets

- Total Waste Collected and Recycled: 3417 kgs of Paper
- Percentage of Paper Waste Recycled: 100%

Water Consumption and Management

Khaleeji Bank recognizes the importance of sustainable water management as a key component of its environmental strategy. Although the financial sector's direct water use may be limited, the Bank is committed to optimizing water consumption wherever possible and minimizing wasteful practices in its facilities.

1. Water Efficiency Initiatives

The Bank aims to implement water-saving technologies and optimize water usage through targeted initiatives.

Usage Monitoring:

- The Bank monitors water consumption across its branches and offices to identify inefficiencies and track progress toward sustainability goals.
- Regular assessments help ensure that water use remains within sustainable limits, in alignment with Bahrain's environmental regulations.



2. Engaging Employees and Partners in Water Conservation

Employee Awareness Campaigns:

- Employees receive guidance on responsible water use practices, both in the workplace and beyond.
- Internal campaigns encourage staff to report leaks or water-related inefficiencies promptly.

Sustainable Vendor Practices:

- The Bank works closely with its vendors and service providers to ensure sustainable water management practices are followed throughout its operations.

3. Water Consumption Data and Targets

- Total Water Consumption: 382 cubic meters
- Considering the nature of our business, the metrics related to withdrawn and recycled water are not tracked. This is not a significant material topic in our assessment.

These metrics will allow the Bank to accurately monitor its water management efforts and ensure progress toward long-term environmental goals.



Climate Risk Assessment

Khaleeji Bank understands that climate-related risks can have significant impacts on financial performance, customer behavior, and long-term business sustainability. As part of its commitment to responsible governance, the Bank proactively identifies, monitors, and mitigates these risks through an integrated risk management framework

1. Incorporating Climate Risks into Enterprise Risk

- Climate risks are fully embedded into the Bank's ERM framework, ensuring that they are considered alongside financial, operational, and market risks.
- The Bank conducts scenario analyses to evaluate the potential impact of climate-related events, such as rising temperatures, extreme weather, and changing regulations, on its operations and portfolio.

These assessments enable the Bank to take preventive actions to minimize disruptions and align business practices with emerging environmental standards.

2. Physical and Transition Risks

Khaleeji Bank's climate risk management strategy focuses on two key areas:

Physical Risks:

- Assessing potential impacts from climate events such as flooding, heatwaves, or water scarcity that could affect the Bank's facilities and operations.
- The Bank reviews the environmental vulnerability of branches and ensures emergency response plans are in place.

Transition Risks:

- The Bank evaluates how evolving regulations and policies aimed at reducing carbon emissions might impact its portfolio, clients, and long-term strategy.
- Ongoing monitoring ensures Khaleeji Bank stays ahead of regulatory developments and emerging market trends.



3. Engaging Stakeholders in Climate Risk Management

Employee Training and Awareness

- Staff across relevant departments receive training on climate-related risks and their implications for the Bank's operations.

Transition Risks:

- The Bank evaluates how evolving regulations and policies aimed at reducing carbon emissions might impact its portfolio, clients, and long-term strategy.
- Ongoing monitoring ensures Khaleeji Bank stays ahead of regulatory developments and emerging market trends.

4. Climate Risk Assessment Metrics and Targets

The Bank acknowledges that climate impact risk assessment is an important exercise that can impact investments and operations in future. The Bank aims to conduct such an assessment and derive the risk profile for their nature of business and the corresponding mitigation measures.

A GHG inventory is being finalized including aspects of Scope 3 emissions that will further help in the vulnerability assessment.

This allows the Bank to track its progress in climate risk management and ensure alignment with Bahrain's environmental goals.

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SOCIAL

Social

At Khaleeji Bank, our commitment to social responsibility extends beyond financial services. We believe that a thriving business is built on a foundation of strong relationships with employees, customers, and the community. Our social strategy focuses on diversity, inclusion, employee development, and community engagement, ensuring that we play an active role in creating a positive impact across all areas of society.

The Bank places people at the heart of its operations, fostering an inclusive culture where all employees are valued and empowered to achieve their full potential. In line with Bahrain Vision 2030, Khaleeji Bank also supports national employment efforts by prioritizing local talent development and gender equality in leadership roles.

Our approach to social responsibility emphasizes the following key areas:

Workforce Diversity and Inclusion:

Promoting equality across the organization, with specific goals for gender parity and local employment.

Employee Development and Well-Being:

Investing in training, mentorship programs, and wellness initiatives to support employees' professional and personal growth.

Community Engagement and Corporate Social Responsibility (CSR):

Contributing to local communities through strategic investments and partnerships that drive education, sustainability, and social well-being.

Responsible Business Practices:

Ensuring that ethical behavior, compliance, and governance frameworks guide our interactions with customers, employees, and stakeholders.

Through these efforts, Khaleeji Bank aims to build a sustainable business model that reflects our values of integrity, transparency, and social responsibility. As part of our long-term vision, we continue to monitor and improve our social performance by setting measurable goals and aligning with global standards such as the United Nations Sustainable Development Goals (SDGs).

Workforce Composition and Diversity

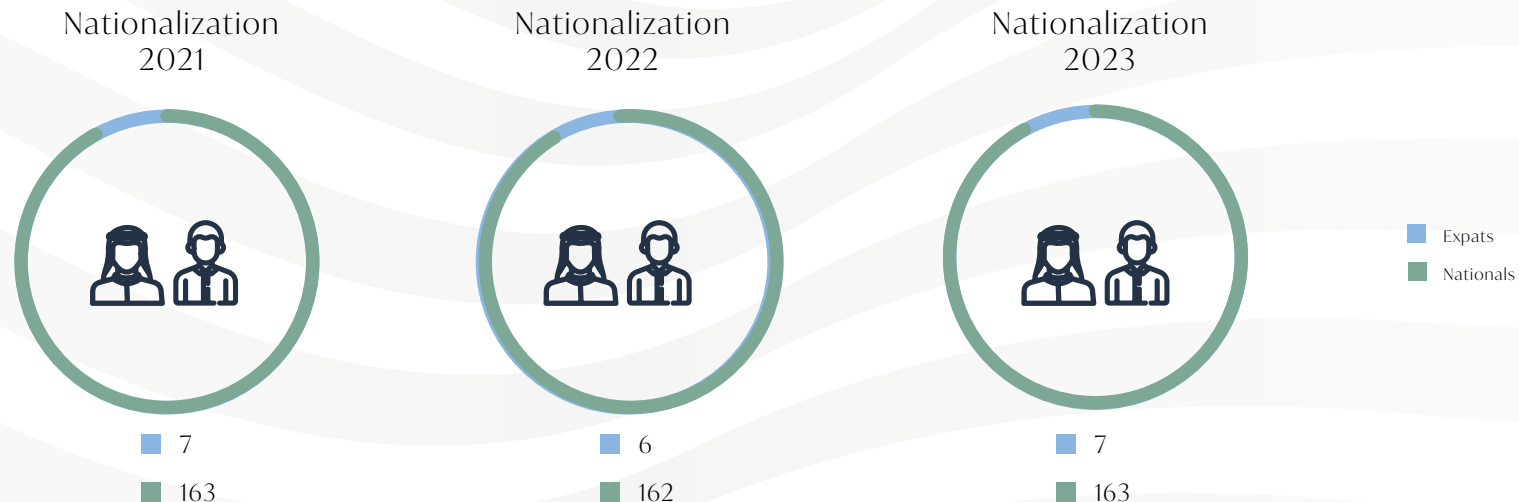
Khaleeji Bank is committed to fostering a diverse and inclusive workforce, ensuring that talent from all backgrounds can contribute to the Bank's success. By embedding equality principles across its operations, the Bank supports its long-term goal of creating an environment where every individual feels empowered to thrive.

Total Workforce:

170 employees, with a 35% female workforce.

Bahrainization Commitment:

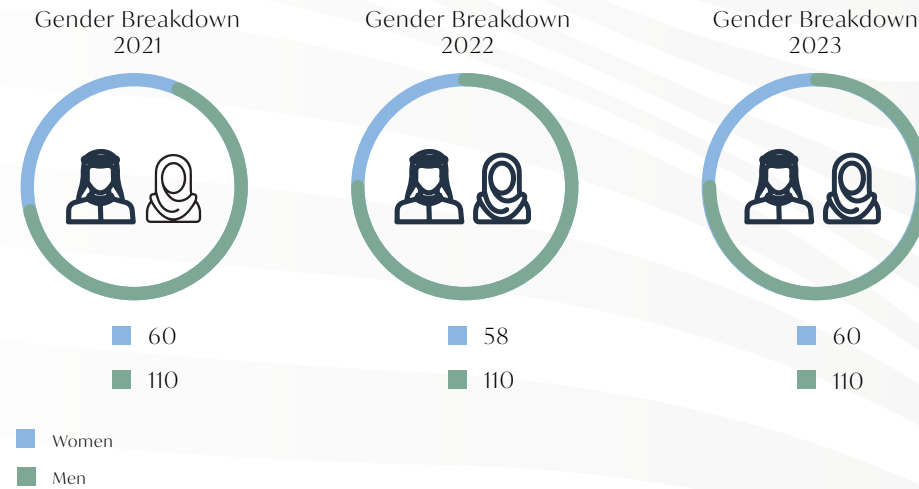
In 2023, **95.9%** of the workforce comprises Bahraini nationals, reflecting the Bank's alignment with national employment strategies.



Gender Representation:

Women make up 25.6% of senior management positions.

The Bank is working towards achieving gender parity in leadership by 2030.



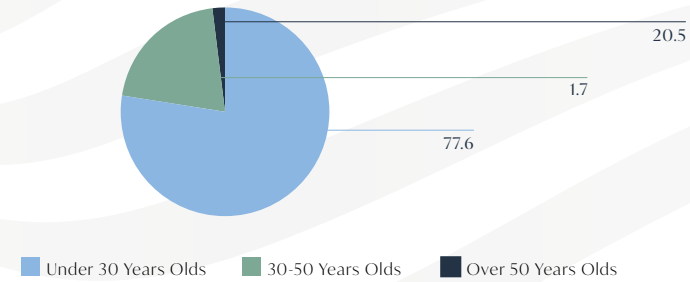
The Bank's diversity policy aims to promote equal opportunities at every level of the organization, ensuring a fair recruitment and advancement process for all employees.

1. Workforce by Age Group & Employment Type in 2023

◆ Age Group Distribution:

- Under 30 years: 35
- 30-50 years: 132
- Over 50 years: 3

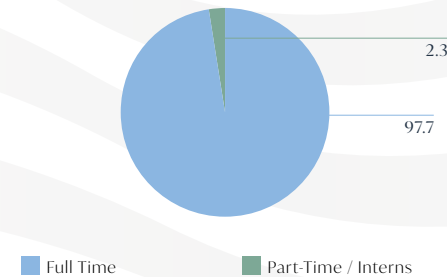
Workforce by Age Group



◆ Employment Type:

- Full-time: 97.7%
- Part-time/Interns: 2.3%

Employment Type



These metrics reflect the Bank's focus on building a balanced and dynamic workforce, capable of adapting to the changing financial landscape.

Gender Pay Ratio:

The median total compensation for women compared to the median total compensation for men: **1.65**

Gender Metrics Per organisational levels:

Percentage of male to female metrics, as per the below categories:

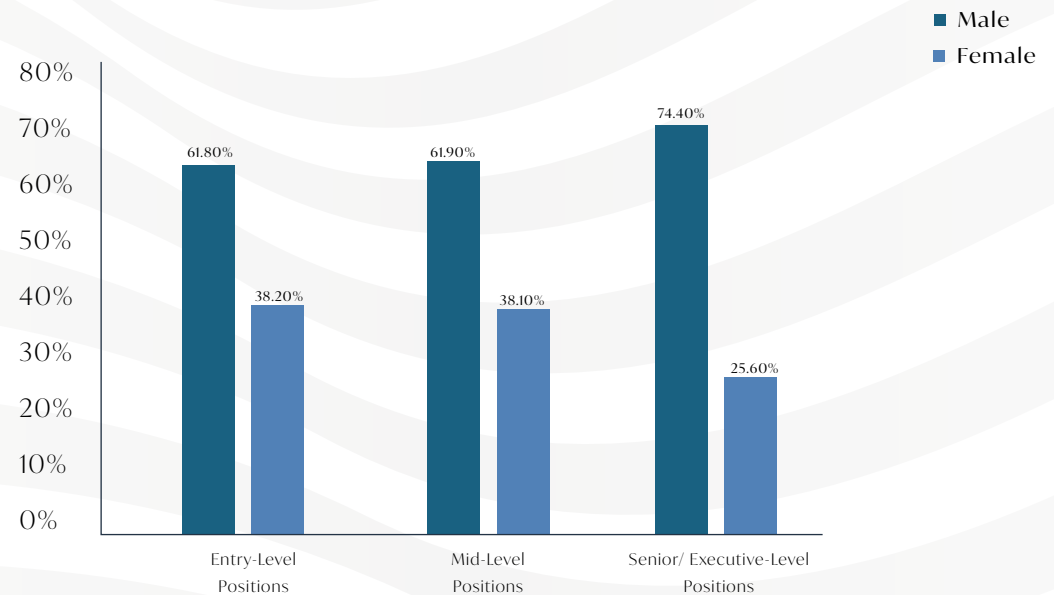
Turnover Rate:

The total annual turnover rate for FTE is **9.4%** with **16** leavers.

Diversity, Inclusion, and Employee Engagement Initiatives

- Employee Resource Groups:** Internal networks to support diverse employee communities, with a focus on women's empowerment and professional development.
- Training on Inclusion and Diversity:** Employees receive mandatory training on fostering inclusivity and preventing workplace discrimination.
- Fair Compensation:** Compensation and rewards are determined through transparent, merit-based appraisal and assessment methodologies, which recognizes employees' contributions, skills, and performance.

Gender Metrics Per Organisational Levels



Diversity, Inclusion and Non Discrimination

- **Equal Opportunities:**
The Bank is committed to providing equal opportunities to all employees, ensuring that every individual is treated fairly and without discrimination. This includes the hiring, employment career development and training.
- **Training on Inclusion and Diversity:**
Employees receive mandatory training on fostering inclusivity and preventing workplace discrimination.

The board members oversee the compliance to the mechanisms and procedures to ensure ethical practices. Non Discrimination is an important aspect of the internal code of conduct and all reported matters are treated with utmost priority.



Employee Training and Development

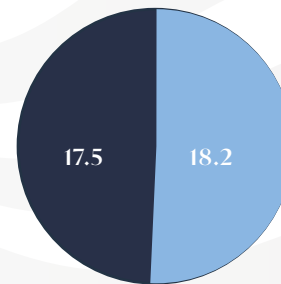
At Khaleeji Bank, employee development is a strategic priority. The Bank believes that continuous learning and skill-building are essential for individual and organizational success. Through targeted training programs, Khaleeji Bank empowers employees to thrive in their roles while also contributing to the Bank's sustainability and ESG goals.

1. Training Programs & Participation Rates

◆ Total Training Hours in 2023:

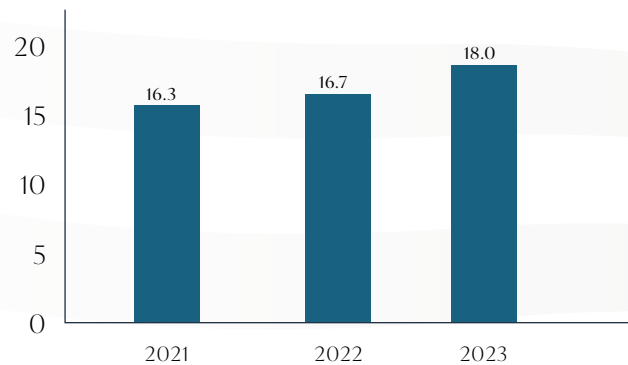
- 18.0 hours for Full-Time Employees
- 39.3 hours for Interns

Average hours of training /employee



■ Males ■ Females

Average hours of training /employee



■ Average hours of training employees

Core Training Areas:

- ESG and Sustainability Topics: Employees are informed on climate-related risks, sustainable finance, and green banking practices.
- Leadership Development: Middle and senior management participated in leadership workshops aimed at strategic thinking and decision-making.

Technical Skills Training: Employees across departments received targeted training in financial tools, compliance, and digital technologies.

2. Workforce Recognition

◆ STARS Program:

- Aimed at recognizing and honoring its distinguished staff for their accomplishments.
- The program shows the bank's commitment to excellence and promotes a culture of motivation and innovation.

◆ Continuous Professional Development:

- Employees are encouraged to pursue certifications and attend industry conferences to stay updated on emerging trends.
- Online learning platforms provide access to
- on-demand courses for self-paced learning.



3. Aligning Employee Development with ESG Goals

- The Bank ensures that ESG principles are integrated into employee development programs, promoting sustainable practices across operations.
- Employees in key departments are informed of policies related to green financial products, ensuring alignment with Khaleeji Bank's sustainability objectives.

4. Employee Engagement and Feedback

◆ Post-Training Surveys:

- Feedback from employees is collected to assess the impact of training programs and identify areas for improvement.

◆ Performance Evaluations:

- Training outcomes are incorporated into annual performance reviews, encouraging employees to pursue continuous growth and development.

Ethical Labor Practices & Human Rights

While Khaleeji Bank does not currently provide an explicit child labor policy, it remains committed to upholding international human rights standards and ensuring that all business practices align with ethical governance principles. The Bank's governance framework emphasizes transparency, fairness, and compliance with national labor regulations.

1. Supplier Code of Conduct and Ethical Standards

- Khaleeji Bank ensures that its suppliers and vendors adhere to ethical labor practices, prohibiting the use of child and forced labor within their operations.
- Regular audits and assessments are conducted

2. Governance Oversight of Human Rights Compliance

- The Board of Directors and Audit Committee oversee the Bank's compliance with human rights obligations, including fair labor practices.
- The Bank integrates human rights policies into its governance structure, promoting ethical behavior across all operations.

3. Training and Awareness on Ethical Practices

- Employees are informed on ethical governance and labor practices, ensuring awareness of prohibited labor practices and human rights responsibilities.
- The Bank encourages whistleblowing to report any violations, ensuring that any potential issues are addressed swiftly and effectively.

4. Collective Bargaining for Employment Contracts

Khaleeji Bank promotes transparent and inclusive employee contract negotiations, aligning with ILO Convention 1545 on Collective Bargaining. Employees, through direct dialogue or representatives, discuss key terms such as compensation, benefits, working hours, leave, and safety standards. The Bank also emphasizes work-life balance through flexible arrangements and family-friendly policies, ensuring that agreements reflect both individual and collective needs while fostering a fair and supportive workplace.



Community Investments and CSR

Khaleeji Bank is dedicated to fostering a sustainable and responsible supply chain, engaging only with suppliers that align with our core values of integrity, transparency, and social responsibility. We prioritize partnerships with vendors who uphold high standards in environmental, social, and governance (ESG) practices, ensuring that our procurement processes reflect our commitment to ethical operations and long-term sustainability.

Our dedication to responsible business extends beyond procurement. Through the Zakah and Charity Fund, we support initiatives that contribute to the well-being of our communities. In 2023, total contributions to the fund amounted to BD 1,108,000, sourced from the Bank's own contributions and income that aligns with Shari'a principles. Of this amount, BD 724,000 was distributed to charitable organizations, aiding programs that promote social welfare and economic empowerment.

The remaining BD 384,000 in undistributed funds will be reserved for future initiatives, allowing Khaleeji Bank to continuously support impactful projects and strengthen its role as a socially responsible entity. Our approach to responsible procurement and community support reflects a commitment to making a positive difference within our society and fostering partnerships that uphold our values.

The Shari'a Supervisory Board (SSB) is responsible for ensuring that Khaleeji conducts its business in strict compliance with the principles and standards of Islamic Shari'a.

1. Strategic Community Investment Programs

Khaleeji Bank allocates funds and resources to initiatives that drive social impact. By focusing on areas such as education, financial literacy, and environmental awareness, the Bank plays a direct role in advancing community development.

◆ **Total Community Investment in 2023:**
124,847 BHD

◆ Educational Programs:

- The Bank partners with local schools and educational organizations to promote youth development, focusing on financial literacy to equip the next generation with essential knowledge.
- Scholarships and sponsorships are offered to students as part of the Bank's goal to support educational attainment and lifelong learning.

◆ Environmental Initiatives:

- Khaleeji Bank contributes to local environmental projects, supporting activities like tree-planting campaigns and community clean-up drives. These initiatives encourage sustainability at both the individual and collective levels.

◆ Notable Community Investments in 2023

Sponsorship of BIBF's New Building (Instalment No. 3)	20,000 BD
Joint Sponsorship with GFH of a Monument for Bahraini Women	20,000 BD
Shaikh Ebrahim bin Mohammed Al Khalifa Center for Culture and Research (2nd)	20,000 BD
Sponsorship of the Shaikh Ebrahim Center for Culture and Research's 2023 Activities	10,000 BD
Sponsorship of the Islamic Banking and Digital Revolution 2023	10,000 BD

2. Employee Engagement and Volunteer Programs

The Bank fosters a culture of giving back by encouraging employees to participate in volunteer programs that align with its CSR goals. Employees are empowered to engage with the community, contributing their time and skills to make a tangible difference.

◆ Volunteering:

- Employees are encouraged to take part in volunteering programs for which they are allowed leave during office hours.

◆ Collaborations with NGOs:

- ◆ The Bank works closely with local NGOs to
- support projects focused on education, health, and environmental sustainability, ensuring that efforts are targeted and impactful.

3. CSR Impact Tracking and Reporting Framework

Khaleeji Bank measures the success of its community investment and CSR efforts through structured impact assessments. The Bank's goal is to ensure that its contributions create lasting value, both socially and environmentally.

◆ Annual Reporting:

CSR activities are tracked and reported annually in the sustainability report, providing transparency and accountability.

◆ Community Impact Metrics:

- Key metrics such as the number of beneficiaries, volunteer hours contributed, and funds allocated to specific causes are monitored to assess progress and effectiveness.



Customer Experience & Satisfaction

At Khaleeji Bank, customer satisfaction is at the core of every interaction. The Bank strives to provide a seamless, personalized banking experience that meets the evolving needs of its diverse customer base. With a commitment to service excellence, the Bank continuously gathers customer feedback, identifies pain points, and works to improve every aspect of the customer journey.

1. Customer-Centric Services and Innovation

The Bank understands that trust and satisfaction are built through innovative services and personalized experiences.

◆ Personalized Solutions:

The Bank offers tailored products and services, ensuring that each customer's financial needs are met with precision. Dedicated relationship managers provide high-touch support to key clients, fostering loyalty and trust.

◆ Digital Innovation:

Investment in mobile and online banking platforms ensures that customers have access to convenient services 24/7.

Plans are underway to introduce digital tools to enhance the customer experience further, with a focus on ease of use and accessibility.

◆ Customer Centricity Committee (Established September 2023)

The Customer Centricity Committee was launched to prioritize the needs and experiences of our customers in all products and services offered by Khaleeji Bank. This committee is dedicated to ensuring that every interaction is designed around customer preferences, fostering loyalty and satisfaction. By analyzing customer feedback collected through multiple channels—including NPS surveys, CSAT (Customer Satisfaction) scores, and feedback from complaints—the committee identifies improvement areas and innovates solutions that drive both customer satisfaction and business growth.

◆ NPS Scores for 2023

In our commitment to continuous improvement, we closely monitor our Net Promoter Score (NPS) across various segments. The general NPS surveys were conducted in September 2023, with additional surveys planned for March and September of 2024. In addition, segment-specific scores, such as NPS for Credit Card services, help us understand customer loyalty across different product offerings.

2. Customer Feedback and Satisfaction Metrics and Mechanisms

"Khaleeji Bank prioritizes understanding its customers and acting on their feedback to drive continuous improvements. A Centralized Customer Feedback Channel is being planned to streamline and enhance the process of gathering customer insights. This initiative will enable Khaleeji Bank to address customer needs more effectively by transforming feedback into actionable improvement opportunities. Insights derived from this platform will support the Customer Centricity Committee in identifying recurring issues and proactively implementing solutions to elevate the overall customer experience."

◆ Customer Satisfaction Surveys:

- The Bank conducts regular satisfaction surveys to gather insights into the customer experience.

◆ Complaints and Resolution Process:

- Khaleeji Bank ensures prompt handling of customer complaints, with a **25%** reduction in complaints since last year.
- A dedicated customer care team provides support through multiple channels, including phone, email, and in-person assistance.

3. Product and Service Innovations

Banking as a Service for Expatriates and Support for WPS Initiatives

Khaleeji Bank has partnered with STC and LMRA to offer virtual IBANs (VIBANs) to expatriates arriving in Bahrain. As part of the Kingdom's Wage Protection System (WPS), this initiative provides expatriates with an IBAN linked to an STC Pay mobile wallet upon arrival, facilitating easy and secure wage payments. This innovative solution streamlines the onboarding journey for new residents, allowing them to seamlessly integrate into Bahrain's financial ecosystem.

Housing Finance Partnerships with Eskan Bank (Pari Passu & Tasheel Programs)

In partnership with Eskan Bank, Khaleeji Bank provides affordable housing finance solutions for Bahraini citizens. This collaboration, encompassing the Pari Passu and Tasheel programs, addresses the growing demand for accessible housing and supports the Bank's commitment to empowering individuals and families in Bahrain to achieve homeownership.

4. Future Goals and Quality Improvement

Establishing Quality Metrics and Service-Level Agreements (SLAs)

Looking ahead, Khaleeji Bank recognizes the importance of bankwide Quality Metrics and service standards. While departments currently manage quality metrics independently, the Customer Centricity Committee plans to introduce comprehensive SLAs in the coming year. This initiative will establish consistent quality standards across all services, reinforcing the Bank's commitment to operational excellence and exceptional customer experiences.



Data Privacy and Customer Protection

At Khaleeji Bank, customer trust is built on the foundation of secure data management and robust privacy policies. The Bank understands the importance of safeguarding customer information in an increasingly digital world and follows best practices in data governance to ensure the protection of personal and financial data. Khaleeji Bank's approach to data privacy is aligned with regulatory requirements and reflects its ongoing commitment to transparency and accountability.

1. Privacy Policies and Governance Framework

◆ Data Privacy Policies:

- Khaleeji Bank has implemented a comprehensive data privacy policy to ensure that all customer data is collected, stored, and processed securely.
- The policy provides guidelines for handling sensitive personal data, ensuring compliance with local regulations and global best practices.
- Khaleeji Bank ensures compliance with all relevant PDPL rules and regulations.

◆ Governance Structure:

- The Bank has established a dedicated data governance team responsible for monitoring compliance and implementing data privacy policies across all business units.
- Ongoing internal reviews are conducted to assess data management practices and ensure that privacy measures are up to date.

2. Cybersecurity and Fraud Prevention

◆ Cybersecurity Framework:

- Khaleeji Bank deploys advanced cybersecurity systems to protect customer information from unauthorized access and cyber threats.
- The Bank conducts regular penetration testing and security audits to identify vulnerabilities and improve defenses.

◆ Fraud Detection Systems:

- Automated fraud detection systems monitor transactions in real-time to identify suspicious activities.
- Customers are notified promptly of any irregular transactions to mitigate potential risks.

◆ Data Breaches:

- Khaleeji Bank actively tracks any data breach and has strict protocols for mitigation.

3. Customer Awareness and Support

◆ Privacy Awareness Campaigns:

- The Bank educates customers on safe banking practices, helping them protect their personal information from phishing and fraud.
- Communication channels are in place to provide customers with guidance on data protection and respond to privacy-related inquiries.

◆ Incident Response and Support:

- In the event of a data breach or security incident, Khaleeji Bank has protocols in place to notify affected customers promptly and mitigate damage.
- The customer care team provides continuous support to ensure that any issues related to privacy or security are resolved efficiently.

4. Advanced Security Controls

To strengthen our cybersecurity posture, Khaleeji Bank has launched the Zero-Trust Project, an advanced security initiative integrating multiple systems for defense-in-depth. This project leverages layered security protocols, continuously monitored by in-house cybersecurity experts, to protect sensitive data and digital assets. By implementing Zero-Trust Architecture, the Bank prevents unauthorized access at every entry point, demonstrating our commitment to staying ahead of cyber risks.

5. Staff Training Initiatives

Recognizing the importance of internal vigilance, Khaleeji Bank actively promotes Security Awareness Campaigns and conducts regular phishing simulations. These training programs ensure that employees remain alert to potential cyber threats and understand best practices for secure banking operations. By fostering a security-conscious culture, we empower staff to act as the first line of defense against data breaches and cyberattacks.



6. Interbank Collaboration

In addition to our internal efforts, Khaleeji Bank collaborates with the Bahrain Association of Banks (BAB) to bolster sector-wide security. This partnership allows us to share insights, implement best practices, and coordinate responses to emerging cyber threats, ensuring a unified and resilient banking sector in Bahrain.

Employee Health and Safety

Khaleeji Bank places employee health and safety at the forefront of its operational priorities. The Bank recognizes that a safe work environment contributes to both employee well-being and business success, ensuring that all employees feel protected and supported while performing their duties.

In 2023,
Khaleeji Bank had
No
reported injuries.

1. Health and Safety Policies and Governance

◆ Health and Safety Policy:

- The Bank has established a comprehensive health and safety policy that outlines responsibilities for managers and employees to ensure a safe workplace.
- Regular compliance checks and audits are conducted to monitor adherence to these safety standards.

◆ Governance Framework:

- A dedicated health and safety team oversees the implementation of safety protocols across all branches and offices.
- Safety committees meet periodically to assess potential risks and recommend improvements.

2. Workplace Safety Initiatives and Training

◆ Training Programs:

- Employees participate in safety training sessions annually, covering topics such as fire safety, emergency evacuation, and first aid.
- Specialized training is provided to high-risk areas, such as IT operations, to mitigate risks associated with cybersecurity breaches and infrastructure safety.

◆ Emergency Response Plans:

- The Bank ensures that all branches have emergency evacuation procedures in place, with regular fire drills to prepare employees for emergencies.
- Designated safety officers are available on-site to coordinate emergency responses.

3. Health and Wellness Programs

◆ Mental Health Support:

- Khaleeji Bank offers employees access to counseling services and mental health resources, helping them manage stress and maintain well-being.
- Awareness campaigns are conducted to reduce stigma around mental health issues and promote support-seeking behavior.

◆ Workplace Ergonomics:

- The Bank provides ergonomic office equipment to prevent physical strain and improve employee comfort.
- Regular assessments ensure that the working environment is optimized for health and productivity.

Diversity and Inclusion Initiatives

Khaleeji Bank is committed to fostering a culture of diversity and inclusion that reflects the values of equality, respect, and opportunity for all. The Bank strives to build a workplace where differences are celebrated and everyone is empowered to contribute to its success, regardless of gender, nationality, or background.

1. Inclusive Policies and Practices

◆ Equal Opportunity Employment:

- Khaleeji Bank ensures that hiring, promotions, and benefits are based on merit, free from discrimination on the grounds of gender, nationality, or any other characteristic.
- Policies are in place to prevent workplace discrimination and ensure fair treatment for all employees.

◆ Flexible Work Arrangements:

- The Bank provides flexible work policies to support employees from diverse backgrounds and needs, promoting a healthy work-life balance.

2. Employee Engagement in Inclusion Initiatives

◆ Training on Diversity and Inclusion:

- All employees participate in hours of diversity and inclusion training annually, ensuring that inclusive behaviors are embedded into the organizational culture.

◆ Employee Feedback Mechanisms:

- Regular engagement surveys capture employee feedback on the Bank's diversity and inclusion efforts, with results used to make continuous improvements.

Social Performance and Reporting

Khaleeji Bank is committed to monitoring and reporting its social performance in alignment with national frameworks and global reporting standards. The Bank ensures that its efforts toward workforce diversity, community engagement, and employee development are measured regularly and communicated transparently to stakeholders.

1. Reporting Framework and Transparency

◆ Annual Reporting:

- The Bank publishes performance reports annually, ensuring transparency and accountability in its social efforts.
- Social data is integrated into the Bank's broader sustainability report, demonstrating alignment with Bahrain Vision 2030.

◆ Compliance with Global Standards:

- Khaleeji Bank aligns with international reporting frameworks, such as the Global Reporting Initiative (GRI), to ensure consistency and comparability in its disclosures.

2. Stakeholder Engagement in Social Reporting

◆ Engagement with Internal and External Stakeholders:

- Employees, customers, and community partners provide input on the Bank's social priorities and performance through structured feedback processes.
- Regular stakeholder meetings ensure that the Bank's social strategy remains relevant and impactful.

◆ Continuous Improvement:

- Insights from annual social performance reviews are used to refine social strategies and enhance the Bank's impact on society.

Social Goals and Future Initiatives

Khaleeji Bank remains committed to advancing its social impact agenda by setting clear, measurable goals. As the Bank looks toward the future, it aims to enhance both internal employee engagement efforts and community-focused programs, ensuring sustainable growth and positive contributions to society.

1. Employee Engagement and Development Goals

◆ Diversity and Inclusion Goals:

- Achieve increase in female representation in senior leadership roles.
- Increase the proportion of Bahraini nationals in the workforce.

◆ Training and Development Objectives:

- Provide additional training hours per employee annually, focusing on digital skills, sustainability, and leadership.

Introduce new mentorship programs to accelerate talent development and succession planning.

2. Future Community and CSR Initiatives

◆ Increased Community Investment:

- Commit to increasing community investments, with a focus on education, health, and environmental programs.
- Expand partnerships with NGOs and community organizations to deepen the Bank's social impact.

◆ Volunteer Program Expansion:

- Set a target for volunteer hours in 2024, encouraging more employee participation in community outreach efforts.

Introduce employee-led volunteer initiatives, empowering staff to design and lead social programs aligned with the Bank's CSR goals.

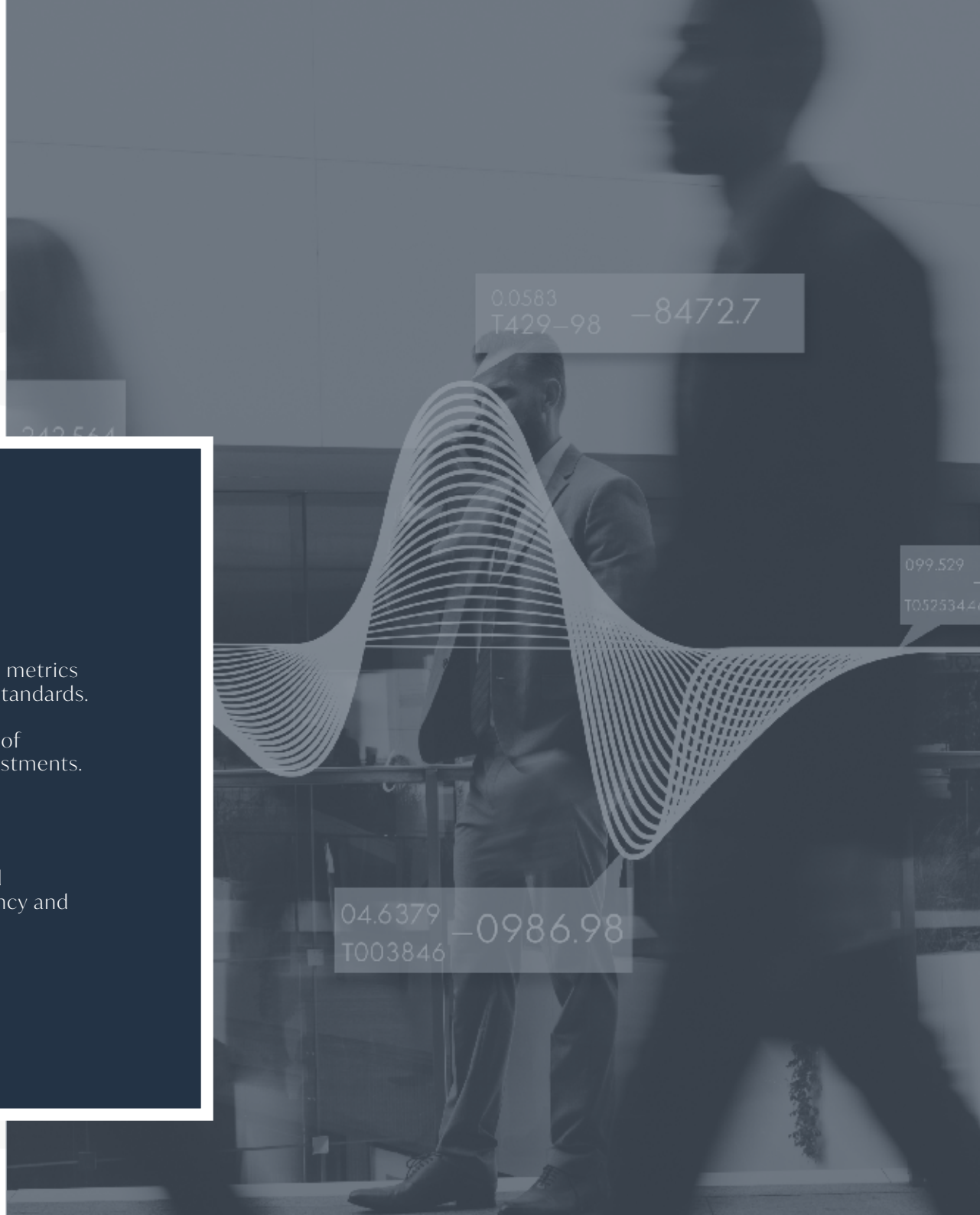
3. Enhanced Social Performance Tracking

◆ Monitoring Progress:

- The Bank will continue to track key social performance metrics annually to ensure alignment with national and global standards.
- New metrics will be introduced to measure the impact of employee development initiatives and community investments.

◆ Transparent Reporting:

- Future social performance reports will provide detailed progress updates on key initiatives, ensuring transparency and accountability to stakeholders.



The image features a dark blue background with a series of wavy, layered patterns in varying shades of blue, creating a sense of depth and movement. The word "GOVERNANCE" is centered in the lower half of the image in a white, serif font.

GOVERNANCE

Corporate Governance Structure & Leadership

Khaleeji Bank ensures that its governance framework promotes accountability, transparency, and ethical leadership. The Bank follows Bahrain's governance standards and regulatory requirements, aligning with industry best practices to maintain operational excellence and stakeholder trust.

1. Board of Directors and Committees Structure

◆ Board Composition:

- The Board consists of 9 members, with 5 independent directors to provide objective oversight and impartial decision-making.
- Clear separation of the roles of Chairman and CEO ensures a balance of power and strengthens governance practices.
- Board members bring a wealth of expertise from banking, finance, and governance, enhancing the quality of strategic decisions.

◆ Key Committees Supporting Governance:

- **Audit and Risk Management Committee:**
Monitors compliance, financial reporting, anti-money laundering (AML) policies, and risk management frameworks.
- **Investment and Credit Committee:**
Manages investment approvals, credit risk, and the Bank's asset-liability strategy.
- **Nominations, Remuneration, and Governance Committee:**
Oversees governance frameworks, executive compensation, and succession planning.

2. Governance Policies and Compliance Frameworks

◆ Code of Conduct:

- All employees and directors adhere to the Bank's Code of Conduct, which emphasizes ethical behavior and professional integrity.
- Board members are required to disclose any conflicts of interest or external appointments prior to meetings to ensure transparency, governance, enhancing the quality of strategic decisions.

◆ Anti Corruption:

- All employees and directors are also required to adhere to the Anti Corruption and Anti Fraud requirements of the Code of Conduct.

◆ Whistleblowing Policy:

- A confidential whistleblowing mechanism is available for employees to report any misconduct or unethical practices without fear of retaliation. This policy ensures accountability at all levels of the organization.

3. Governance Metrics and Performance Assessments

◆ Board Meetings:

- The Board conducted 5 meetings during 2023, with active participation from all members. Committees also met regularly throughout the year to oversee their areas of responsibility.

◆ Annual Evaluations:

- Annual performance assessments of the Board and its committees are conducted to ensure continuous improvement. These evaluations include individual director assessments to promote accountability and high performance.



Risk Management and Compliance Framework

Khaleeji Bank emphasizes a proactive approach to risk management and regulatory compliance. The Bank's risk management framework ensures that operational, financial, and compliance risks are identified, monitored, and mitigated effectively. By integrating risk management into governance structures, Khaleeji Bank maintains sustainable growth and aligns with the regulatory requirements of the Central Bank of Bahrain (CBB).

1. Enterprise Risk Management (ERM) and BARMC Oversight

In 2023, Khaleeji Bank's Enterprise Risk Management (ERM) Framework was further reinforced to address a broad range of risks including credit, liquidity, operational, and regulatory risks. The Board Audit and Risk Management Committee (BARMC) provides active oversight, ensuring that risk identification, monitoring, and mitigation processes meet the rigorous standards set by the Central Bank of Bahrain (CBB). This proactive structure enables us to respond swiftly to emerging risks while adhering to regulatory expectations.

2. Systemic Risk Management

To safeguard against sector-wide risks, the Bank continues its focus on Systemic Risk Management. This approach includes detailed risk-reward assessments for any new initiatives, ensuring that benefits are weighed against potential impacts on the Bank's stability. By integrating Shari'a-compliant principles, we maintain a balanced approach to risk while supporting sustainable growth and upholding our ethical standards.

3. Compliance Automation: The Risk Nucleus System

A key addition to the 2023 compliance landscape, the Risk Nucleus System automates regulatory tracking and compliance monitoring. Departments now have streamlined access to verify compliance status, upload documentation, and receive alerts on approaching regulatory deadlines. This system not only boosts efficiency but also reinforces a proactive compliance culture throughout the Bank.

4. Risk Scanning, Scenario Analysis, and Adaptability

In line with evolving market conditions, Khaleeji Bank incorporates risk scanning and scenario analysis into its management strategy. This approach draws from both internal operations and external factors, allowing us to prepare for potential disruptions. The ongoing analysis of emerging risks, combined with targeted contingency planning, strengthens the Bank's resilience and adaptability to market fluctuations.

5. Future Goals for Risk and Compliance

◆ Enhance Risk Reporting:

- The Bank plans to introduce automated risk reporting tools to streamline reporting processes and provide real-time insights into emerging risks.

◆ Strengthen Compliance with ESG Standards:

- Khaleeji Bank will integrate ESG-related risks into its risk management framework to ensure alignment with sustainability goals and international standards.



Ethical Governance and Transparency Initiatives

Khaleeji Bank prioritizes transparency, accountability, and ethical governance to maintain trust and integrity across all operations. These principles align with the regulatory requirements of the Bahrain Commercial Companies Law and the Central Bank of Bahrain (CBB).

1. Ethical Governance Framework and Policies

◆ Code of Conduct:

- All employees participate in hours of diversity and inclusion training annually, ensuring that inclusive behaviors are embedded into the organizational culture.
- All employees, and suppliers and board members adhere to the Bank's Code of Conduct, ensuring professional behavior and ethical decision-making at all levels.
- Board members disclose any external appointments and potential conflicts before meetings to ensure transparency, including:

Cross-board membership

Cross-shareholding with suppliers and other stakeholders;

Existence of controlling shareholders;

Related parties, their relationships, nature, transactions, and outstanding balances.

- The percentage of suppliers that comply with the company's code of conduct and the compliance assessment mechanism: 100%



2. Transparency and Stakeholder Engagement

◆ Governance Reporting:

- The Bank ensures regular and transparent governance reporting through board meetings and public disclosures.

Governance-related performance, including board evaluations and committee meetings, is shared in the annual report to maintain openness.

◆ Stakeholder Engagement Initiatives:

- The Bank conducts regular meetings with stakeholders and shareholders to ensure alignment with governance and operational priorities.

3. Governance Metrics for 2023

◆ Board Meetings Held: 5

◆ Committee Meetings Held:

- Audit and Risk Management Committee: 6 meetings
- Nominations, Remuneration, and Governance Committee: 5 meetings
- Investment and Credit Committee: 9 meetings

These metrics reflect the Bank's commitment to monitoring and improving governance practices continuously.



Board Performance and Evaluation

The Board of Directors at Khaleeji Bank is committed to ensuring effective oversight and continuous governance improvements. Annual board performance assessments help maintain accountability and alignment with the Bank's strategic goals, regulatory requirements, and stakeholder expectations.

1. Board Evaluation Framework

◆ Annual Assessments:

- The Bank conducts comprehensive performance evaluations annually for the board, individual directors, and board committees.
- These assessments measure the board's effectiveness in governance, strategy oversight, and risk management.

◆ Evaluation Process:

- The process includes peer assessments and feedback sessions, allowing directors to reflect on governance performance.

A formal report summarizing findings is presented to the board, followed by actionable recommendations for improvement.

2. Key Governance Enhancements from 2023

◆ Committee Realignment:

- In 2023, the Audit and Risk Committees were merged into a single committee to enhance governance efficiency.
- This streamlined structure allows for more integrated oversight of financial reporting, audits, and risk management practices.

◆ Board Diversity and Composition

- The evaluation identified opportunities to enhance board diversity, with a goal to increase female representation.
- Plans are in place to bring on directors with expertise in ESG-related topics to align with the Bank's long-term sustainability strategy.



3. Future Improvements and Goals

◆ Digital Governance Tools:

- The Bank aims to introduce digital tools to enhance board operations, including real-time access to governance documents and meeting materials.

◆ Increased Stakeholder

- As part of the board's strategic focus, it will introduce more frequent stakeholder meetings to ensure alignment with evolving governance expectations.

4. Board Performance Metrics for 2023

- Number of Board Meetings: 5

Committee Meetings Held: 20 (cumulative across all committees)

Independent Directors: 5 out of 9 board members

Remuneration Governance and Compensation Policy

Khaleeji Bank maintains a robust remuneration framework to align employee incentives with the Bank's long-term goals. This framework emphasizes a balance between short-term performance objectives and long-term sustainable growth. All policies are designed to ensure fairness, transparency, and alignment with regulatory standards.

1. Key Components of the Remuneration Framework

◆ Fixed and Variable Compensation:

- The remuneration structure consists of fixed salaries, benefits, annual performance bonuses, and long-term incentive plans.

- For material risk-takers and approved persons, a significant portion of total remuneration is tied to performance.

◆ Phantom Share Awards:

- Employees may receive phantom share awards, which are cash-based bonuses tied to the increase or decrease in the Bank's net book value. These awards incentivize employees to align with shareholder interests.

◆ Deferral of Variable Compensation:

- A portion of bonuses is deferred over a three-year period, subject to performance and risk-adjusted measures. Malus and clawback provisions are applied to ensure responsible behavior.

2. Governance and Oversight of

◆ Nomination, Remuneration, and Governance Committee (BNRGC):

- The BNRGC is responsible for approving and monitoring the remuneration policy to ensure alignment with the Bank's objectives.

- The committee ensures that variable compensation reflects both individual and Bank-wide performance, incorporating financial and non-financial metrics.

◆ Compliance with Regulatory Requirements:

- The remuneration framework follows the Sound Remuneration Practices outlined by the Central Bank of Bahrain. Regular reviews are conducted to ensure compliance with evolving regulations.

3. Risk-Adjusted Performance Measures

◆ Performance Evaluation Process:

- Remuneration is based on individual and group performance, factoring in risk management, compliance, and ethical behavior.
- The framework ensures that employees taking different levels of risk on behalf of the Bank are compensated appropriately.

◆ Malus and Clawback Provisions:

- Malus and clawback provisions allow the Bank to adjust or reclaim bonuses in cases of misconduct, financial misstatement, or risk management failures.

4. Remuneration Metrics for 2023

◆ Total Remuneration of Top 6 Executives:

BHD 1,203,403

Fixed Salaries and Allowances: BHD 974,576

Variable Bonuses: BHD 179,827

Other Compensation: BHD 49,000

Board Sitting Fees: BHD 143,000

Aggregate Board Remuneration: BHD 340,500

Appendices

CBB Index

KPI	References	Main Reporting Component(s)	Location
E.1: Environmental Oversight The company should describe its management and board oversight on climate-related risks and opportunities. Unit: Statement /Description	<ul style="list-style-type: none"> • GRI 3: Material Topics 2021 • TCFD: Strategy -Recommended Disclosure (a) and (b) • CDSB Framework: REO-OLREO-02 	1. A statement on how the company addresses its environmental impact (e.g., explain whether senior management and/or the board address sustainability issues in meetings or have dedicated committees to do so.)	17
		2. A statement of purpose and approach of the board/management towards sustainability matters.	17
		3.1 A description of the following (where applicable): Policies	17
		3.2 A description of the following (where applicable): Commitments	12, 17
		3.3 A description of the following (where applicable): Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets)	11, 12, 20
E.2: Energy Consumption The company should provide information on both direct and indirect energy usage. Direct energy usage refers to energy that is generated and used on property owned or operated by the company. Indirect energy usage refers to energy that is generated elsewhere, such as through utilities, but is used by the company. Unit: megawatt hours (MWh) or gigajoules (GJ) or multiples	<ul style="list-style-type: none"> • GRI: 302-1, 302-2: ENERGY 2016 	3.4 A description of the following (where applicable): Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer(s); Board committees etc.)	17
		3.5 A description of the following (where applicable): Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about climate/sustainability targets and processes.	17-19
		1. Report total energy consumed and breakdown by type; 1.1 Indirect energy consumed in the form of electricity, heating, cooling (i.e., total of energy purchases)	15
		1. Report total energy consumed and breakdown by type; 1.2 Direct energy consumed, classified by renewable and non-renewable sources.	15
		2. State the standards, techniques, assumptions, and/or calculation tools utilised.	15
E.3: Energy Intensity The company should report total annual energy usage per output scaling factor (such as sales or revenue).Unit: gigawatt-hours (GWh) per million BHD/USD or multiples	<ul style="list-style-type: none"> • GRI: 302-3: ENERGY 2016 	1. Report total energy consumed during the year divided by the selected scaling factor (e.g., sales, revenue etc.).	15
		2. State the standards, techniques, assumptions, and/or calculation tools utilised.	15
E.4: Energy Mix The company should provide a breakdown of its energy consumption by source. Unit: Percentage (%)	<ul style="list-style-type: none"> • GRI 302: Enerev 2016 	1. Report the percentage of energy used by source, as part of total energy consumption.	15
		2. Report the percentage of renewable and non-renewable energy used, as part of total energy consumption.	15

KPI	References	Main Reporting Component(s)	Location
E.5: Green House Gas (GHG) Emissions The company should report its total Green House Gas Emissions Unit: metric tons of CO2 or equivalent	<ul style="list-style-type: none"> • GRI 305: Emissions 2016 • GHG Protocol: Calculation Tools and Guidance 	1. Report total absolute emissions by scope; 1. Total amount, in CO2 equivalents, for Scope 1"	22
		1. Report total absolute emissions by scope; 2. Total amount, in CO2 equivalents, for Scope 2"	22
		1. Report total absolute emissions by scope; 3. Total amount, in CO2 equivalents, for Scope 3 (if applicable)!"	29
		2. State the standards, techniques, assumptions, and/or calculation tools utilised. Note: GHG emissions should be calculated in line with the GHG Protocol4 methodology to allow for aggregation and comparability across companies and jurisdictions."	22
E.6: Emission Intensity The company should report annual GHG emission scaled by a relevant scaling factor (such as size (e.g. m2 floor space), employment (e.g. headcount) and monetary units (e.g. revenue or sales)). Unit: metric tons of CO2 or multiples per unit of scaling factor	<ul style="list-style-type: none"> • GRI 305: Emissions 2016 • GHG Protocol: Calculation Tools and Guidance 	1. Report total annual GHG emission during the year divided by the selected scaling factor.	22
		2. State the standards, techniques, assumptions, and/or calculation tools utilised.	22
E.7: Climate Risk Mitigation The company should describe its climate risk identification process, assessment, management processes, and report annual investment in infrastructure, resilience, and product development. Unit: Statement / Description and monetary value in BHD/USD	<ul style="list-style-type: none"> • TCFD: Risk Management -Recommended Disclosure (a) and fb) • CDSB Framework: REO-03 	1. Describe how your company identifies, assesses, and manages climate-related risks (including physical risks and transition risks).	28-29
		2. Report the amount invested annually in climate-related issues (in BHD or USD) (e.g., research and product innovation).	28-29
E.8: Water Usage The company should report total annual amount of water withdrawn, consumed, recycled. Unit: cubic meters (m3) or equivalent	<ul style="list-style-type: none"> • GRI 303: WATER AND EFFLUENTS 2018 • CDP Water Security Reporting Guidance 2022 	1.Report the total annual amount of water consumed by the organisation.	27
		2.Report the total annual amount of water withdrawn by the organisation.	27
		3.Report the total annual amount of water recycled/reclaimed by the organisation. Note: Companies should refer to CDP term definitions of water withdrawal, consumption and recycling"	27
E.9: Waste Generation The company should report total weight of waste generated and a description of its waste disposal method. Unit: Statement /Description and weight in metric tons or equivalent.	<ul style="list-style-type: none"> • GRI 306: Waste 2020 	1.Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste (hazardous and non-hazardous).	24-25
		2.Description of the company's waste disposal method(s). 2.1Description of the company's sustainable waste management practices (such as recycling initiatives and waste reduction strategies)."	24-25
		3.State the standards, techniques, assumptions, and/or calculation tools utilised.	24-25

KPI	References	Main Reporting Component(s)	Location
E.10: Emission Targets The company should provide a description of emission targets set, and steps taken to achieve them, including energy conservation measures. Unit: Statement/ Description	<ul style="list-style-type: none"> • GRI 3: Material Topics 2021 • GRI 305: Emissions 2016 	1.A statement on how the company addresses its total emission.	17, 22
		2.A statement of the board/management approach towards its total emissions, including whether it is subject to any country, regional, or industry-level emissions regulations and policies.	17, 23
		3.A description of the following (where applicable): 3.1 Policies"	17, 23
		3.A description of the following (where applicable): 3.2 Commitments"	17, 23
		3.A description of the following (where applicable): 3.3 Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets)"	17, 23
		3.A description of the following (where applicable): 3.4 Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer; Board committees etc.)"	17, 23
S.1: Total Workforce by sex, age-group, and employment type The company should report the composition of its total workforce by sex, employment type and age group. Unit: Amount and Percentage (%)	<ul style="list-style-type: none"> • GRI2: General Disclosures 2021 • GRI 405: Diversity and Equal Opportunity 2016 	1.Report total number of employees currently employed within the organisation and the composition of the total workforce as per the below: 1.1 By sex, as percentage of the total workforce	33
		1.Report total number of employees currently employed within the organisation and the composition of the total workforce as per the below: 1.2 By age-group (as per the GRI's employee age group categories: (a) under 30 years old, (b) 30-50 years old, and (c) over 50 years old), as a percentage of the total workforce.	33
		1.Report total number of employees currently employed within the organisation and the composition of the total workforce as per the below: 1.3 By employment type (e.g., full-time, part-time, intern etc.), as a percentage of the total workforce.	33
S.2: Child and Forced Labour The company should provide a statement of policies it applies to prohibit child/and or forced labour within the company, and if it considers policies that prohibit that same for their suppliers and/or vendors. Unit: Statement/Description	<ul style="list-style-type: none"> • GRI 2: General Disclosures 2021 • GRI 405: Diversity and Equal Opportunity 2016 	1. A statement on how the organisation addresses prohibition of child and or/forced labour.	38
		2. A statement of the board/management approach's direction, including whether it is subject to any country, regional, or industry-level regulations and policies.	38
		3. A description of the following (where applicable): 3.1 Policies	38
		3. A description of the following (where applicable): 3.2 Commitments	38
		3. A description of the following (where applicable): 3.3 Goals and targets	38
3. A description of the following (where applicable): 3.4 Responsibilities	38		
3. A description of the following (where applicable): 3.5 Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about any issues concerning child and or/forced labour relating to the company.	38		

KPI	References	Main Reporting Component(s)	Location
S.3: Employee Turnover The company should report the total annual turnover (whether voluntary or involuntary) categorised by sex and age group. Unit: Amount and Percentage (%)	• GRI 401: Employment 2016	1. Report total annual employee turnover rate (whether voluntary or involuntary) for full-time employees during the reporting period, as per the below categories: 1.1 By sex	34
		1. Report total annual employee turnover rate (whether voluntary or involuntary) for full-time employees during the reporting period, as per the below categories: 1.2 By age-group (as per the GRI's employee age group categories: (a) under 30 years old, (b) 30-50 years old, and (c) over 50 years old).	34
S.4: Gender Pay Ratio The company should report the median total compensation for men compared to the median total compensation for women (as a ratio). Unit: Ratio	• GRI 405: Diversity and Equal Opportunity 2016	1. Report the median total compensation for women compared to the median total compensation for men (as a ratio).	34
S.5: Health and Safety The company should report the total number of injuries and fatalities occurred, lost days due to work injury and a description of occupational health and safety measures. Unit: Amount and Description	• GRI403: Occupational Health and Safety 2018	1. Report on the total number of injuries and fatalities occurred in each of the past three years including the reporting year.	47
		2. Report lost days due to work injury in each of the past three years including the reporting year.	47
		3. A description of occupational health and safety measures adopted, and how they are implemented and monitored.	47
S.6: Non-Discrimination The company should provide a description of its harassment and/or non-discrimination policy. Unit: Statement /Description	• GRI 406: Non-Discrimination 2016 • GRI 3: Material Topics 2021	1A statement on how the organisation addresses harassment and discrimination matters.	35
		2.A statement of the board/management approach, including whether it is subject to any country, regional, or industry-level regulations and policies.	35
S.7: Nationalisation The company should report on the number and percentage of national employees, as well as initiatives to increase nationalisation. Unit: Amount and Statement/ Description	• GRI 406: Non-Discrimination 2016 • GRI 3: Material Topics 2021	1A statement of the board/management approach to increase nationalisation, including whether it is subject to any country regulations and policies.	32
		2.Report the number and percentage of national employees, as part of the total workforce. *Note: Applicable to Bahrain only!	32
S.8: Community Investment The company should provide detailed information on the scope and impact of its community investment activities, as well as amount invested in community as a percentage of company revenue. Unit: Description and Percentage (%)	• GRI 3: Material Topics 2021	1.Report the amount invested in the community as a percentage of company revenues.	40
		2.Provide a description of the scope and impact of its community investment initiatives.	40

KPI	References	Main Reporting Component(s)	Location
S.9: Human rights The company should provide a description of its policy on human rights. Unit: Statement /Description	<ul style="list-style-type: none"> • GRI412: Human Rights Assessment 2016 • GRI 3: Material Topics 2021 	1. A statement on how the organisation addresses human rights.	38
		2. A statement of the board/management approach's direction, including whether it is subject to any country, regional, or industry-level regulations and policies.	38
		3. A description of the following (where applicable): 3.1 Policies	38
		3. A description of the following (where applicable): 3.2 Commitments	38
		3. A description of the following (where applicable): 3.3 Goals and targets	38
		3. A description of the following (where applicable): 3.4 Responsibilities	38
S.10: Management Composition/Diversity The company should report the percentage of male to female metrics broken down by various organisational levels. Unit: Percentage (%)	<ul style="list-style-type: none"> • GRI 405: Diversity and Equal Opportunity 2016 	1. Report percentage of male to female metrics, as per the below categories: 1.1 Entry-level	34
		1. Report percentage of male to female metrics, as per the below categories: 1.2 Mid-level	34
		1. Report percentage of male to female metrics, as per the below categories: 1.3 Senior/Executive level positions	34
S.11: Development and Training The company should report average hours of training that its employees have undertaken during the reporting period. Unit: Percentage (%)	<ul style="list-style-type: none"> • GRI 404: Training and Education 2016 	1. Report average hours of training, as per the below categories: 1.2 By Employee category (Full-time, part-time, internship etc.)	36
		1. Report average hours of training, as per the below categories: 1.1 By Sex	36
G.1: Board Composition The company should report the composition of the Board categorised by directors, such as the chairman, executive directors, non-executive directors, and independent nonexecutive directors. Unit: Statement/ Description	<ul style="list-style-type: none"> • GRI 2: General Disclosures 2021 	1. Report board size	
		2. Report female board directors by number and percentage of the Board size.	60
		3. Report composition of the board and its committees by: 3.1 Executive or non-executive.	54
		3. Report composition of the board and its committees by: 3.2 Independence.	54
		3. Report composition of the board and its committees by: 3.3 Tenure.	54
		3. Report composition of the board and its committees by: 3.4 Representation (appointed or elected)	54
		3. Report composition of the board and its committees by: 3.5 Details of non-compliance with regulations, as well as a description of the corrective actions taken.	54
G.2: Collective Bargaining The company should report on the total enterprise headcount covered by collective bargaining agreements (Unions) and the process in which employees' contracts with their employers to determine their terms of employment. Unit: Description and amount	<ul style="list-style-type: none"> • GRI 407: Freedom of Association and Collective Bargaining 2016 	1. Report total enterprise headcount covered by collective bargaining agreements (Unions) (if applicable).	38
		2. Provide a description of the process by which employees negotiate their contracts with the organisation to determine their terms of employment (e.g., compensation, benefits, hours, leave, occupational health and safety standards, initiatives to balance work and family etc.) Note: Companies should refer to International Labour Organisation (ILO) Convention 154's term definition of 'Collective Bargaining'.	38

KPI	References	Main Reporting Component(s)	Location
G.3: Whistleblowing The company should provide a description of the mechanisms used to discuss and report on behaviour. Unit: Statement / Description	• GRI2: General Disclosures 2021	1. Provide a description of internal and external mechanisms for seeking advice and reporting concerns on organisational integrity.	38, 55
		2. Provide a description on awareness initiatives conducted by the organisation.	38, 55
G.4: Data privacy The company should Report if it follows a Data Privacy policy and if the company has taken steps to comply with Personal Data Protection Law (PDPL) rules. Unit: Statement / Description	• GRI 2: General Disclosures 2021	1. Provide a description of the company's Data Privacy policy.	45
		2. Provide a statement of the steps taken to comply with Personal Data Protection Law (PDPL) rules.	45
G.5: Disclosure Practices The company should provide a description of its sustainability disclosure practices. Unit: Statement / Description	• GRI 2: General Disclosures 2021	1. Report if the company provides its sustainability data to sustainability supporting organisations such as the Global Reporting Initiative (GRI) Secretariat, United Nations (UN), CDP etc.	72-74
		2. Report if the company focuses on specific UN Sustainable Development Goals (SDGs), including setting targets and reporting progress.	15
		3. State whether the company publishes a sustainability report and/or how it integrates sustainability data in its disclosures.	5, 6
G.6: Conflict of interest The company shall describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated. Unit: Statement / Description	• GRI2: General Disclosures 2021	1. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: 1.1 Cross-board membership	58
		1. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: 1.2 Cross-shareholding with suppliers and other stakeholders	58
		1. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: 1.3 Existence of controlling shareholders	58
		1. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: 1.4 Related parties, their relationships, nature, transactions, and outstanding balances.	58
G.7: Supplier Code of Conduct The company should report if it has established a Supplier Code of Conduct. Unit: Statement / Description and Percentage (%)	• GRI 2: General Disclosures 2021	1. Provide a description of the company's Supplier Code of Conduct.	39
		2. Report the percentage of suppliers that comply with the company's code of conduct and the compliance assessment mechanism. Note: A Supplier Code of Conduct refers to a set of principles and standards that outline the company's expectations for responsible business practices by its supplier.	58

KPI	References	Main Reporting Component(s)	Location
G.8: Incentivised Pay The company should describe the processes for incentivising executives to perform sustainably. Unit: Statement / Description	• GRI2: General Disclosures 2021	1. Report if executives are formally incentivised to perform on sustainability.. 2. Report the percentage of executive compensation tied to ESG performance metrics 3. Provide a description of other links between executive performance and sustainability performance (if any).	63 63 63
G.9: Ethics & Anticorruption The company should describe its policy on ethical conduct and anti-corruption. Unit: Statement / Description and Percentage (%)	• GRI 2: General Disclosures 2021 • GRI 3: Material Topics 2021	1. Report if your company follows an Ethics and/or Anti-Corruption policy. 1.1 If you have an Anti-corruption policy, report the percentage of the workforce that has formally certified its compliance with the policy (provide description of certification and process). 2. Provide a statement of the company's commitment towards its ethics and/or anti-Conuption policy/position.	55 55 55
G.10: Assurance The company shall describe the processes by which its sustainability disclosures are assured or validated. Unit: Statement / Description	• GRI 2: General Disclosures 2021 • GRI 3: Material Topics 2021	1. Provide a description of the process by which sustainability disclosures are assured or validated. 1.1 Report if the company's sustainability disclosures are assured or validated by an independent third party.	

GRI Index Table

Statement of use

[Name of organization] has reported the information cited in this GRI content index for the period [reporting period start and end dates] with reference to the GRI Standards.

GRI 1 used

GRI 1: Foundation 2021

GRI Standard

Disclosure

Location

GRI 2: General Disclosures 2021

2-1 Organizational details	Page 4
2-2 Entities included in the organization's sustainability reporting	Page 3
2-3 Reporting period, frequency and contact point	Page 3
2-4 Restatements of information	None
2-5 External assurance	None
2-6 Activities, value chain and other business relationships	Page 4
2-7 Employees	Page 32-37
2-8 Workers who are not employees	None
2-9 Governance structure and composition	Page 53-55
2-10 Nomination and selection of the highest governance body	Page 53-55
2-11 Chair of the highest governance body	Page 53-54
2-12 Role of the highest governance body in overseeing the management of impacts	Page 53-64
2-13 Delegation of responsibility for managing impacts	Page 53-64
2-14 Role of the highest governance body in sustainability reporting	Page 53-64
2-15 Conflicts of interest	Page 58
2-16 Communication of critical concerns	Page - 38, 55

GRI 2: General Disclosures 2021

2-17 Collective knowledge of the highest governance body	Page 54-64
2-18 Evaluation of the performance of the highest governance body	Page 53-63
2-19 Remuneration policies	Page 63
2-20 Process to determine remuneration	Page 53, 62
2-21 Annual total compensation ratio	Page 62-63
2-22 Statement on sustainable development strategy	Page 11-13
2-23 Policy commitments	Page 33, 49, 47, 55, 63
2-24 Embedding policy commitments	Page 33, 49, 47, 55, 63
2-25 Processes to remediate negative impacts	Page - 38, 54
2-26 Mechanisms for seeking advice and raising concerns	Page - 38, 54
2-27 Compliance with laws and regulations	Page 33, 48, 46, 55, 63
2-28 Membership associations	Page 7
2-29 Approach to stakeholder engagement	Page 10
2-30 Collective bargaining agreements	Page 38

GRI 3: Material Topics 2021

3-1 Process to determine material topics	Page 10 - 13
3-2 List of material topics	Page 10 - 13
3-3 Management of material topics	Page 10 - 13

GRI 101: Biodiversity 2024

"101-1 Policies to halt and reverse biodiversity loss"
101-2 Management of biodiversity impacts
101-3 Access and benefit-sharing
101-4 Identification of biodiversity impacts
101-5 Locations with biodiversity impacts
101-6 Direct drivers of biodiversity loss
101-7 Changes to the state of biodiversity
101-8 Ecosystem services

GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
	304-2 Significant impacts of activities, products and services on biodiversity	
	304-3 Habitats protected or restored	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 7
	201-2 Financial implications and other risks and opportunities due to climate change	Page 13, 19
	201-3 Defined benefit plan obligations and other retirement plans	Page 34, 64
	201-4 Financial assistance received from government	None
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Page 32-37
	202-2 Proportion of senior management hired from the local community	Page 32-37
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Page 7
	203-2 Significant indirect economic impacts	Page 7
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 55
	205-2 Communication and training about anti-corruption policies and procedures	Page 55
	205-3 Confirmed incidents of corruption and actions taken	Page 55
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
GRI 207: Tax 2019	207-1 Approach to tax	Annual Report - Page 48
	207-2 Tax governance, control, and risk management	Annual Report - Page 48
	207-3 Stakeholder engagement and management of concerns related to tax	Annual Report - Page 48
	207-4 Country-by-country reporting	Annual Report - Page 50
GRI 301: Materials 2016	301-1 Materials used by weight or volume	None
	301-2 Recycled input materials used	None
	301-3 Reclaimed products and their packaging materials	None
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 15-19
	302-2 Energy consumption outside of the organization	Page 15-19
	302-3 Energy intensity	Page 15-19
	302-4 Reduction of energy consumption	Page 15-19
	302-5 Reductions in energy requirements of products and services	None
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 26-27
	303-2 Management of water discharge-related impacts	Page 26-27
	303-3 Water withdrawal	Page 26-27
	303-4 Water discharge	Page 26-27
	303-5 Water consumption	Page 26-27
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 20-23
	305-2 Energy indirect (Scope 2) GHG emissions	Page 20-23
	305-3 Other indirect (Scope 3) GHG emissions	Page 20-23
	305-4 GHG emissions intensity	Page 20-23
	305-5 Reduction of GHG emissions	Page 20-23
	305-6 Emissions of ozone-depleting substances (ODS)	Not Covered
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not Covered
GRI 306: Effluents and Waste 2016	306-3 Significant spills	Not Covered
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 24-25
	306-2 Management of significant waste-related impacts	Page 24-25
	306-3 Waste generated	Page 24-25
	306-4 Waste diverted from disposal	Page 24-25
	306-5 Waste directed to disposal	Page 24-25

GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 39	GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 32-37	
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 39		GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not Covered
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 32-37	GRI 408: Child Labor 2016		408-1 Operations and suppliers at significant risk for incidents of child labor	Page 38
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 32-37			GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor
	401-3 Parental leave	Page 32-37	GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		Not Covered
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Page 32-37		GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not Applicable
	GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system			Page 47-48	GRI 413: Local Communities 2016
403-2 Hazard identification, risk assessment, and incident investigation		Page 47-48		413-2 Operations with significant actual and potential negative impacts on local communities	Not Covered	
403-3 Occupational health services		Not Covered		GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 39
403-4 Worker participation, consultation, and communication on occupational health and safety		Page 47-48			414-2 Negative social impacts in the supply chain and actions taken	Page 39
403-5 Worker training on occupational health and safety		Page 47-48		GRI 415: Public Policy 2016	415-1 Political contributions	Not Covered
403-6 Promotion of worker health		Page 47-48			GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Page 47-48		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Not Covered
403-8 Workers covered by an occupational health and safety management system		Not Covered		GRI 417: Marketing and Labeling 2016		417-1 Requirements for product and service information and labeling
403-9 Work-related injuries		Page 47-48	417-2 Incidents of non-compliance concerning product and service information and labeling		Not Covered	
GRI 404: Training and Education 2016		403-10 Work-related ill health	Page 47-48	417-3 Incidents of non-compliance concerning marketing communications	Not Covered	
	404-1 Average hours of training per year per employee	Page 32-37	GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 45	
404-2 Programs for upgrading employee skills and transition assistance programs	Page 32-37	GRI 405: Diversity and Equal Opportunity 2016		405-1 Diversity of governance bodies and employees	Page 32-37	
404-3 Percentage of employees receiving regular performance and career development reviews	Page 32-37		405-2 Ratio of basic salary and remuneration of women to men	Page 32-37		