

YOUR PARTNER IN AMBITION

# ESG Report 2025

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## OVERVIEW

# CEO Message



We are proud to present Khaleeji Bank's ESG Report for 2025, a year that has reinforced our unwavering commitment to sustainability, deeply rooted in our values as a responsible Islamic bank. Throughout the year, we have continued to integrate the principles of Islamic finance with sustainability, advancing our alignment with the Global Sustainable Development Goals and Bahrain Vision 2030.

In 2025, we achieved a strong financial performance with a **10.27% increase in profits**, reflecting our commitment to sustainable growth and shareholder value. Our total comprehensive income increased by 2.96%, with total revenue growing by 27.91%. These achievements underscore our focus on delivering positive economic impact.

Beyond financial success and as part of commitment to ESG principles, we actively participated in Bahrain's annual Tree Week initiative in cooperation with the Capital Governorate. Our commitment to innovation and client-centric services led to the enhancement of the "Hafeez" platform for corporate clients.

Our efforts were recognized with several prestigious awards, affirming our leadership in economic excellence and innovation in the banking sector.

*"As we look to the future, we remain dedicated to achieving zero carbon emissions by 2060 and continuing our journey of sustainable and responsible growth – as Bahrain's most trusted Islamic bank and partner to the ambitious."*

**ABDULKARIM MOHAMED ALZAKARI – ACTING CHIEF EXECUTIVE OFFICER, KHALEEJI BANK**

## OVERVIEW

# About this Report

This report provides a detailed account of Khaleeji Bank's environmental, social, and governance (ESG) practices throughout 2025, emphasising the Bank's role in fostering sustainable development in Bahrain.

## REPORTING PERIOD

This report covers environmental, social, economic and governance performances and activities from **1 January 2025 to 31 December 2025**. It outlines Khaleeji's approach and commitment towards sustainable development in the Kingdom of Bahrain.

## REPORTING STANDARD

The report aligns with globally accepted frameworks, including the requirement under Environmental, Social and Governance module issued by the Central Bank of Bahrain, 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

## INQUIRIES & FEEDBACK

Khaleeji welcomes any feedback or inquiries related to this report. Please contact us at:  
**callcenter@khaleeji.bank**

## OVERVIEW

# Who We Are

Khaleeji 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 (CBB), Khaleeji Bank has rapidly grown to become a key player in the Bahraini financial sector.



## OWNERSHIP & LISTING

As of 31<sup>st</sup> December 2025, Khaleeji Bank is 82.95% owned by GFH Financial Group B.S.C., a prominent Bahraini investment entity. The Bank's shares are publicly traded on Bahrain Bourse, promoting transparency and providing investment opportunities to the public.



## NETWORK AND REACH

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



## 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



## PRODUCTS AND SERVICES

Khaleeji Bank offers a diverse range of products and services, including Retail and corporate banking, Consumer finance, All these offering strictly comply with Islamic Shari'a rules and principles, as determined by the Bank's Shari'a Supervisory Board.

# Vision, Mission and Values

## VISION, MISSION &amp; VALUES

## Vision

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*"To Help Ambitious People Prosper"*

## Mission

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To become Bahrain's most trusted Islamic bank and a notable regional rising star in our sector. We aim to become recognized as "The Bank of Choice for the Ambitious". We will create our own niche and transform the perception of Islamic Banking from a "Badge of Compliance" to an authentic system for prosperity.

We aim to be widely admired for our innovative strategy and to win awards for our exceptional customer service and to confirm our position as a key influencer in this sector. We aim to change the game in our approach and through consistent delivery, cement our place as an industry thought-leader.

Believing in the power of potential and with a firm commitment to being a true partner for success, Khaleeji aims to elevate our clients' lives by delivering on our commitment to leave every situation better than we found it. We will set a regional benchmark for integrity, authenticity, and unparalleled service, through new ethical standards.

We aim to leverage this commitment to service to create unprecedented levels of client loyalty and to achieve awards for being the region's fastest growing Islamic Bank. Our commitment beyond banking will be noted and our CSR will help inspire a culture of respect for individuals, society, our shared environment, and the Kingdom.

In a world where everyone seems to offer the same thing, Khaleeji aims to stand apart and build on its renown for breaking boundaries and creating generational prosperity as the preferred partner for the ambitious.

VISION, MISSION & VALUES

# Values

Khaleeji is proud of having established a culture that is built upon a unified set of values.

R

**RESPECT**

We value and respect our relationships with others. Our culture is built on faith & trust, which is evident in everything we do.

C

**CONFIDENCE**

We are determined to achieve our goals & turn every challenge into an opportunity.

D

**DYNAMISM**

We develop new and inspiring ideas to make the world a better place. We believe in progress and work hard to deliver results.



## VISION, MISSION &amp; VALUES

# Our Commitment to Sustainability

## 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

## 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.

## COMMITMENT TO SUSTAINABILITY

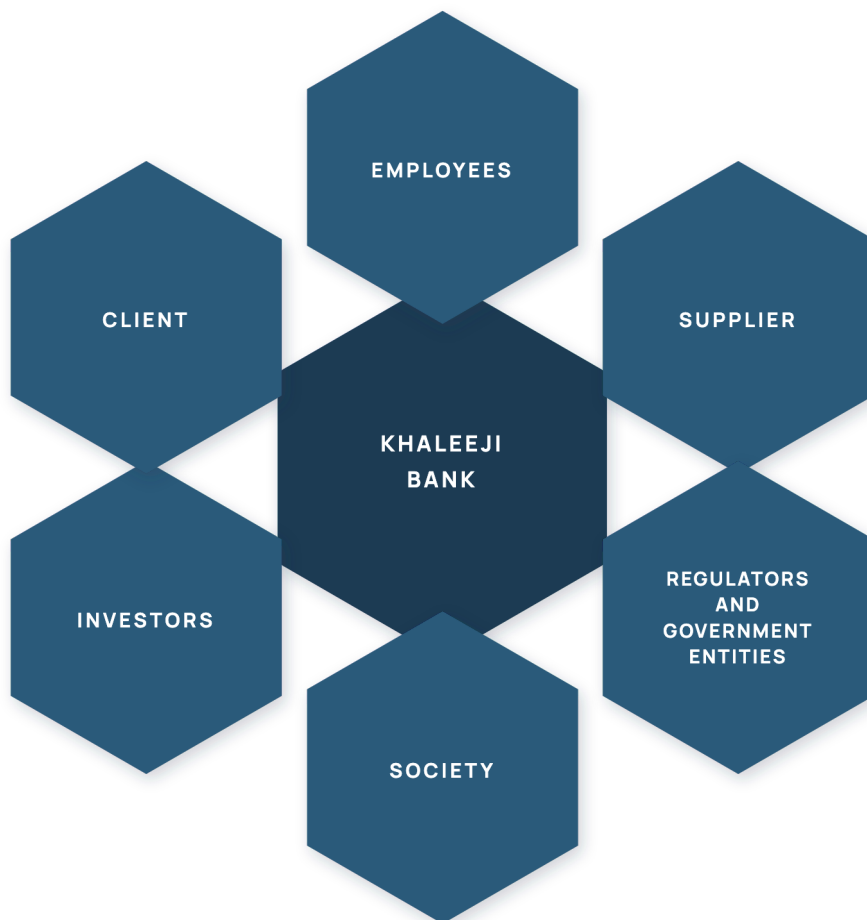
Khaleeji Bank is dedicated to integrating sustainability principles into its core operations. The Bank recognizes its role in supporting Bahrain's economic development while adhering to responsible banking practices. Through its various initiatives, Khaleeji Bank aims to contribute positively to the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

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.

## VISION, MISSION & VALUES

### STAKEHOLDERS AND MATERIALITY MATRIX

At Khaleeji, we continuously engage with stakeholders to build strong relationships. Our primary stakeholders include people who are directly affected by our business and operations, as well as people who are indirectly impacted by the communities that we serve.



# Key Highlights of ESG Achievements

KEY ESG ACHIEVEMENTS

# Fostering Growth & Innovation



- BD 11.58 million net profit.
- 16% increase in the number of clients
- The "Best Account for Minors "Ajyal Accounts" in Bahrain for 2025 award, and the "Best Banking Product for "Salary Account" in Bahrain for 2025 award by International Business Magazine (IBM).
- Khaleeji was listed on Al Bilad newspaper's list of the Top 50 Bahraini Companies for 2025
- The Bank also obtained the prestigious ISO 22301:2019 certification for Business Continuity Management Systems from the International Organization for Standardization (ISO)

# Nurturing Our People & Preserving the Planet



- 11.88 hrs average training hours were delivered to employees.
- 32.6% of the workforce are women.
- 21% of the workforce are under 30 years old.
- 93.8% of the workforce are Bahraini.
- No formal grievances were filed regarding incidents of discrimination or harassment.
- Partnered with a third-party service provider to manage our waste generation.

KEY ESG ACHIEVEMENTS

# Ethical Governance & Meaningful Engagement

- Zero confirmed incidents of corruption were identified.
- Enhanced the "Hafeez" platform, a digitally advanced banking solution tailored to meet the evolving needs of corporate clients.
- Partnered with the Capital Governorate and the Capital Municipality in support of Bahrain's annual Tree Week initiative through a tree-planting project in Seef District aimed at expanding green spaces and enhancing the urban environment
- 213,085 BD invested in community initiatives, marking 56% increase from last year.

## Future ESG Goals

E

**ENVIRONMENTAL GOALS**

- Advance paperless banking adoption
- Increase sustainable energy practices
- Further reduce carbon footprint
- Expand renewable energy exploration

S

**SOCIAL GOALS**

- Expand employee development programs
- Strengthen community outreach
- Advance gender parity by 2030
- Increase financial inclusion efforts

G

**GOVERNANCE GOALS**

- Integrate ESG metrics into executive KPIs
- Enhance stakeholder engagement
- Formalise supplier code of conduct
- Strengthen ESG disclosures

# Report Overview



## REPORT OVERVIEW

# Sustainability in Khaleeji Bank

## SUSTAINABILITY STRATEGY

Khaleeji Bank's sustainability strategy in 2025 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.

## SUSTAINABILITY GOALS

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 by the communities we serve.

REPORT OVERVIEW

# Materiality Assessment Topics



In 2025, 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 responsible banking practices across all operations.

## REPORT OVERVIEW

# ESG Governance and Framework

At Khaleeji Bank, sustainability is not merely an aim but a vital component of the Bank's operational principles, aligning with Bahrain Vision 2030. The Bank acknowledges the significance of minimizing its environmental impact by integrating sustainable practices throughout its operations. Khaleeji Bank aims to support both national and global environmental objectives through energy efficiency, proactive climate risk management, and a steadfast commitment to operational sustainability.

The Bank's strategy for environmental sustainability is driven by a strong governance framework, ensuring that sustainability initiatives are supervised and evaluated at the top echelons. Environmental oversight is incorporated into the ESG governance framework, with the Board of Directors and senior management routinely evaluating environmental performance and aligning objectives with national sustainability frameworks.

Policies and strategies are crafted to fulfill both regulatory mandates and long-term environmental goals, ensuring that Khaleeji Bank's operations significantly contribute to a more sustainable economy. The Bank diligently monitors new environmental trends and regulatory developments, ensuring it remains at the forefront of changing requirements and industry standards. Environmental targets are embedded into daily operations, with measurable goals established to ensure transparency and accountability across departments.



## REPORT OVERVIEW

# ESG Governance and Framework

Khaleeji ESG Committee was established in 2021 to oversee the integration of ESG principles and initiatives across the Bank's operations. The Committee was responsible for driving the implementation of the ESG strategy and framework, while monitoring evolving ESG trends, regulatory developments, and emerging risks to support effective risk identification and mitigation across the Bank's activities.

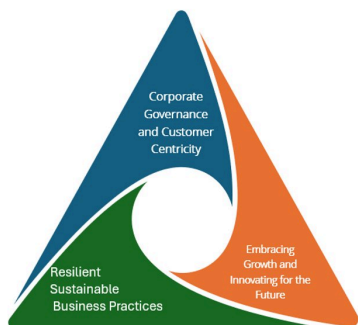
As part of the Bank's governance enhancement initiatives, the ESG Committee was restructured in 2025, and its responsibilities were transitioned to the Business Integrity & Resilience Committee (BIRC). The BIRC now serves as the primary oversight body for ESG and governance-related matters. The Committee reports to the BNRGC on ESG related activities and is responsible for providing oversight, monitoring progress, and ensuring effective governance of all ESG initiatives and activities across the Bank.

The developed ESG framework aims to facilitate the incorporation of ESG considerations into all our operations. This framework defines our environmental, social, economic, and governance impacts and enables us to manage them in a manner that ensures that we create and maintain all positive outcomes. The framework is composed of three pillars which align with our corporate approach to addressing our stakeholders' needs and expectations, ESG commitments, and align with our identified material topics.



## REPORT OVERVIEW

## ESG Framework

**Corporate Governance and Customer Centricity**

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

**Resilient Sustainable Business Practices**

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

**Embracing Growth and Innovating for the Future**

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

## Climate Risk Mitigation – Energy Efficiency & Climate Risk at Khaleeji Bank

Khaleeji recognizes that climate-related risks pose vital challenges to financial stability, customer trust, and long-term sustainability. To address these, we integrate climate risk management into our overall risk framework through proactive identification, monitoring, and mitigation.

**Key Initiatives:**

**Integrated Risk Management:** Climate risks are fully incorporated into our Enterprise Risk Management (ERM) framework, alongside financial and operational risks. We conduct scenario analyses to assess impacts from climate events like extreme weather, rising temperatures, and regulatory changes, allowing us to take preventative action.

**Physical & Transition Risks:**

**Physical Risks:** We evaluate vulnerabilities from events such as floods or droughts affecting our branches and operations, with emergency response plans in place.

**Transition Risks:** We monitor evolving environmental regulations and market shifts related to decarbonization, ensuring our long-term strategies remain resilient and forward-looking.

**Metrics & Targets:** We plan to establish comprehensive climate risk assessments to understand our risk profile better and identify appropriate mitigation measures, aligning our practices with emerging climate standards.

REPORT OVERVIEW

Khaleeji remains committed to enhancing our climate resilience through ongoing assessment and the adoption of best practices to support a sustainable future.

# SDG Alignment

## SDG ALIGNMENT ACROSS KEY AREAS

a. Responsible Consumption and Production

- Khaleeji’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.

b. Affordable and Clean Energy

- Khaleeji continues to explore ways to enhance energy efficiency and adopt renewable energy solutions within its operations.
- Cloud-based systems and paperless initiatives reflect Khaleeji’s commitment to reducing its environmental impact.



c. Decent Work and Economic Growth

- Khaleeji fosters 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.

d. Climate Action

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

In 2025, Khaleeji remained steadfast in its commitment to environmental stewardship and sustainable resource management, reflecting our dedication to the long-term well-being of our community and the environment. We recognize that our operations have an impact on natural resources, and we strive to minimize this impact through strategic initiatives and practices.

REPORT OVERVIEW

Impact Reduction Initiatives



**Carbon Footprint**

As part of our commitment to Bahrain’s goal of net-zero emissions by 2060, we have taken significant steps to reduce our carbon footprint. This includes transitioning to renewable energy sources and optimizing our transportation networks to lower emissions from our daily operations.



**Sustainable Practices**

We remained proactive in educating and engaging our stakeholders in the importance of sustainability. Various programs were conducted to raise awareness about environmental impacts and promote sustainable practices in banking operations and beyond.



**Commitment to Continuous Improvement**

In 2025, Khaleeji is taking innovative approaches to environmental sustainability. We are committed to continuous improvement, setting ambitious goals for resource conservation, and reducing our environmental footprint. Through collaboration with our partners and community, we aim to make meaningful contributions towards creating a more sustainable future for all.

Khaleeji Bank will continue to lead by example, integrating sustainable practices into our core strategies and operations, ensuring we not only meet but exceed our sustainability goals for the years to come.

## ENVIRONMENTAL FACTORS

# Energy Consumption

Khaleeji's primary energy usage stems from electricity and fuel consumption. Electricity is used for daily operations across our office and business facilities, with supplies sourced from the Electricity and Water Authority (EWA) and from the common area utility charges from the property management. For fuel needs, we mainly rely on diesel to support business travel and operate backup generators for our facilities. Throughout this reporting period, we did not employ any renewable energy sources. To support transparent and consistent reporting, we also present our energy consumption data in gigajoules (GJ) equivalents.

S.NO	ENERGY	UNITS	2023	2024	2025
<b>DIRECT ENERGY CONSUMPTION</b>					
1	Fuel consumption from Vehicle	L	9,130	9,122	<b>8,929</b>
2	Total Direct energy consumption	GJ	306	306	<b>300</b>
<b>INDIRECT ENERGY CONSUMPTION</b>					
3	Electricity Purchased	kWh	688,631	512,231	<b>466,241</b>
	Total Indirect energy consumption (GJ)	GJ	2,478	1,843	<b>1,678</b>
4	Energy consumption intensity	GJ/Employee	13	10	<b>9</b>
5	Energy Intensity (GJ per unit revenue)	GJ/Revenue	0.05	0.04	<b>0.03</b>
6	Renewable Energy – Renewable Sources	%	0%	0%	<b>0%</b>
	Total Indirect energy consumption (GJ)	GJ	2,478	1,843	<b>1,678</b>
7	Renewable Energy – Non-Renewable Sources	%	100%	100%	<b>100%</b>

## ENVIRONMENTAL FACTORS

# Energy Consumption

Energy Intensity is reported in terms of absolute consumption and in terms of gigajoules. It is calculated as consumption per unit of revenue (BHD '000). In 2025, there were no major changes in our fuel consumption while saving in energy by 45,990 kWh.

Khaleeji believes that we can make a meaningful difference by reducing our own environmental impact. Khaleeji Bank is committed to minimizing the ecological footprint of our business and actively supports Bahrain's vision of achieving net-zero GHG emissions by 2060. We aim to contribute to the transition to a low-carbon economy by responsibly managing transition projects, increasing investments in sustainable initiatives, decarbonizing our operations, and collaborating with our partners and customers to promote environmentally responsible practices in line with Islamic principles of stewardship and social responsibility.

## ENVIRONMENTAL FACTORS

# Green House Gas (GHG) Emissions

S.NO	METRIC	2023	2024	2025
1	Scope 1 Emissions	21 metric tons CO <sub>2</sub> e	21 metric tons CO <sub>2</sub> e	<b>21 metric tons CO<sub>2</sub>e</b>
2	Scope 2 Emissions	481 metric tons CO <sub>2</sub> e	358 metric tons CO <sub>2</sub> e	<b>326 metric tons CO<sub>2</sub>e</b>
3	Scope 3 Emissions	–	–	–
	<b>Total GHG Emissions</b>	<b>502 metric tons CO<sub>2</sub>e</b>	<b>379 metric tons CO<sub>2</sub>e</b>	<b>347 metric tons CO<sub>2</sub>e</b>
	<b>Total GHG / Annual Revenue</b>	<b>0.0101</b>	<b>0.008</b>	<b>0.005</b>

Green House Gas (GHG) Emissions are reported in terms of CO<sub>2</sub>. It is calculated as consumption per unit of revenue (BHD '000).

## ENVIRONMENTAL FACTORS

### Water Consumption

Khaleeji emphasizes responsible water management by implementing water-saving technologies and optimizing usage across branches and offices. We monitor consumption regularly to identify inefficiencies. Employees are encouraged to practice responsible water use and report leaks, while we work with vendors to promote sustainable water practices. Our primary water use is for drinking and municipal needs, with no significant impact on communities. As water withdrawal and recycling are not material to our operations. Our focus remains on conserving water and minimizing our footprint.

S.NO	METRIC	UNITS	2023	2024	2025
1	Total Water Consumed	cubic meters	881	947	<b>885</b>
2	Total Water Withdrawn	cubic meters	881	947	<b>885</b>
3	Total Water Recycled/Reclaimed	cubic meters	Nil	Nil	<b>Nil</b>

### Waste Management

Khaleeji is committed to promoting sustainable practices by optimizing resource use and operating eco-friendly. We collaborate with external vendors for waste management, ensuring proper collection and recycling of all waste generated. To reduce carbon emissions, we are exploring options to minimize transportation and improve energy efficiency. We also focus on waste reduction through practices like double-sided printing and aim to digitize documents to decrease paper consumption, supporting our commitment to environmental responsibility.

S.NO	METRIC	UNITS	2023	2024	2025
1	Hazardous Waste (E-waste)	Metric Tons	NA	NA	<b>NA</b>
2	Non-Hazardous Waste (Paper)	Metric Tons	3.417	0.308	<b>1.067</b>
3	Total Waste = Hazardous Waste + Non-Hazardous Waste	Metric Tons	3.417	0.308	<b>1.067</b>

# Social Factors

## SOCIAL FACTORS

# Social & Community Impact

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At Khaleeji, our commitment to social responsibility is fundamental to our mission, extending beyond banking services to foster positive change within society. We prioritize building strong relationships with our employees, customers, and communities by promoting diversity, inclusion, and employee development.

Our inclusive workplace culture values every individual and empowers our staff to reach their full potential. In alignment with Bahrain Vision 2030, we emphasize local talent development and gender equality in leadership roles, supporting national employment initiatives.

Our core social focus areas include:

**Diversity and Inclusion:** Advocating gender parity and boosting local employment opportunities.

**Employee Growth and Well-Being:** Investing in training, mentorship, and wellness programs to support professional and personal development.

**Community Engagement:** Contributing to local social and environmental initiatives through strategic partnerships in education, sustainability, and social welfare.

**Responsible Practices:** Upholding ethical standards, compliance, and transparency in all stakeholder interactions.

Through these efforts, Khaleeji strives to create a sustainable business that embodies integrity and social responsibility. We continuously evaluate our social impact by setting measurable targets and aligning with global frameworks such as the UN Sustainable Development Goals (SDGs).

## SOCIAL FACTORS

# Our People

At Khaleeji, we are committed to supporting diversity and inclusion within our workforce. We endeavour to provide a respectful work environment that values every individual's wellbeing and respects their rights to feel safe and protected at work.

We believe that a diverse and inclusive workforce fosters a healthier working environment that is built on equality and teamwork. A diverse and inclusive workforce brings together individuals with different backgrounds, experiences, and perspectives which nurtures creativity and innovation, providing economic stability, productivity, and satisfactory customer experience. We Advance diversity and equity within our workforce and recruiting, build an inclusive culture, drive strategies and formal employment equity plans to attract, retain and promote diverse talent, listen to our employees to understand their lived experiences, the barriers they face and how we can better support them in the workplace.

Khaleeji Bank is committed to fostering an inclusive workplace where fairness, equal opportunity, and diversity are fundamental. Our hiring, promotion, and benefit policies are merit-based and strictly designed to prevent discrimination based on gender, nationality, or other characteristics, ensuring fair treatment for all employees.

We actively seek employee feedback through periodic engagement surveys, using the insights gained to refine and strengthen our diversity initiatives.



## SOCIAL FACTORS

The Bank continues to experience a tight labor market for top talent. In 2025, Continuous efforts are made to support employee well-being, professional development, and career progression, contributing to the retention of valuable talent within the organization.

### WORKFORCE COMPOSITION

S.NO	CATEGORY	NUMBER OF EMPLOYEES		
		2023	2024	2025
<b>1</b>	<b>By Sex</b>			
A	Male	110	121	130
B	Female	60	64	63
	<b>Total</b>	<b>170</b>	<b>185</b>	<b>193</b>
<b>2</b>	<b>By Age Group</b>			
A	Under 30 years old	35	37	40
B	30-50 years old	132	143	144
C	Over 50 years old	3	5	9
	<b>Total</b>	<b>170</b>	<b>185</b>	<b>193</b>
<b>3</b>	<b>By Employment Type</b>			
A	Full-time	170	185	193
B	Part-time/ Intern	4	4	4
	<b>Total</b>	<b>174</b>	<b>189</b>	<b>197</b>

## SOCIAL FACTORS

### EMPLOYEE TURNOVER

S. NO	CATEGORY	NUMBER OF EMPLOYEES					
		2023		2024		2025	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
1	Under 30 years	1	2	1	2	—	1
2	30–50 years	9	3	2	2	8	3
3	Over 50 years	1	—	2	1	1	—
	<b>Total</b>	<b>11</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>9</b>	<b>4</b>

The total annual turnover rate for Full Time Employee is **6.7%** with **13** leavers (2024: 5.4% with 10 leavers)

### GENDER PAY RATIO

The median total compensation for women compared to the median total compensation for men: **1.32 (2024: 1.41)**

Gender Metrics Per organizational levels: Percentage of male to female metrics, as per the below categories:

Khaleeji reports median total compensation for men compared to women as part of its commitment to pay equity and non-discrimination in employment practices. The Bank ensures that all employees are compensated fairly based on factors such as experience, role, and performance, rather than on gender. The Bank's dedication to gender equality in compensation reflects its core values of fairness, inclusivity, and diversity in the workplace.

We support the advancement of women in business and the economy by, among other things, identifying and helping to remove gender barriers and working to close gender gaps. Within the Bank, we support programs to help women advance into leadership roles.

The 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.

The Bank observed slight shifts in gender composition across management levels. At the entry level, female representation reduced slightly marginally from 37.50% to 36.99%. In mid-level positions, female participation decreased from 35.71% to 31.08%. At the senior/executive level, female representation rose modestly from 27.91% to 28.26%. Overall, the Bank continues to make gradual progress in promoting gender diversity across its management hierarchy.

SOCIAL FACTORS

MANAGEMENT COMPOSITION

S. NO	ORGANIZATIONAL LEVEL	PERCENTAGE					
		2023		2024		2025	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
1	Entry-level	61.80%	38.20%	62.50%	37.50%	63.01%	36.99%
2	Mid-level	61.90%	38.10%	64.29%	35.71%	68.92%	31.08%
3	Senior/Executive Level	74.40%	25.60%	72.09%	27.91%	71.74%	28.26%

SOCIAL FACTORS

# Human Rights and Non-Discrimination and Labor Law

The board and management of Khaleeji adopt a proactive approach to address harassment and discrimination matters, guided by compliance with country, regional, and industry-level regulations and HR policies. The Bank is committed to upholding a workplace environment that is free from harassment and discrimination, and where all employees are treated with respect and dignity.

The board members oversee the compliance with 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.

During the reporting year, there were no incidents of harassment or discrimination reported, reflecting the effectiveness of the Bank’s commitment to maintaining a safe and equitable workplace.

Khaleeji places human rights at the core of its values, underscoring their importance across all aspects of our operations, supply chain, and stakeholder relationships. Our approach is guided by a strong commitment to uphold human rights standards, with clear goals, targets, and responsibilities at every level of the organization to ensure these principles are integrated into our business practices.

We are dedicated to respecting, promoting, and protecting fundamental human rights, including fair labor practices, non-discrimination, diversity, and freedom from exploitation. Our commitment extends to our employees, partners, stakeholders, and the communities where we operate.

## SOCIAL FACTORS

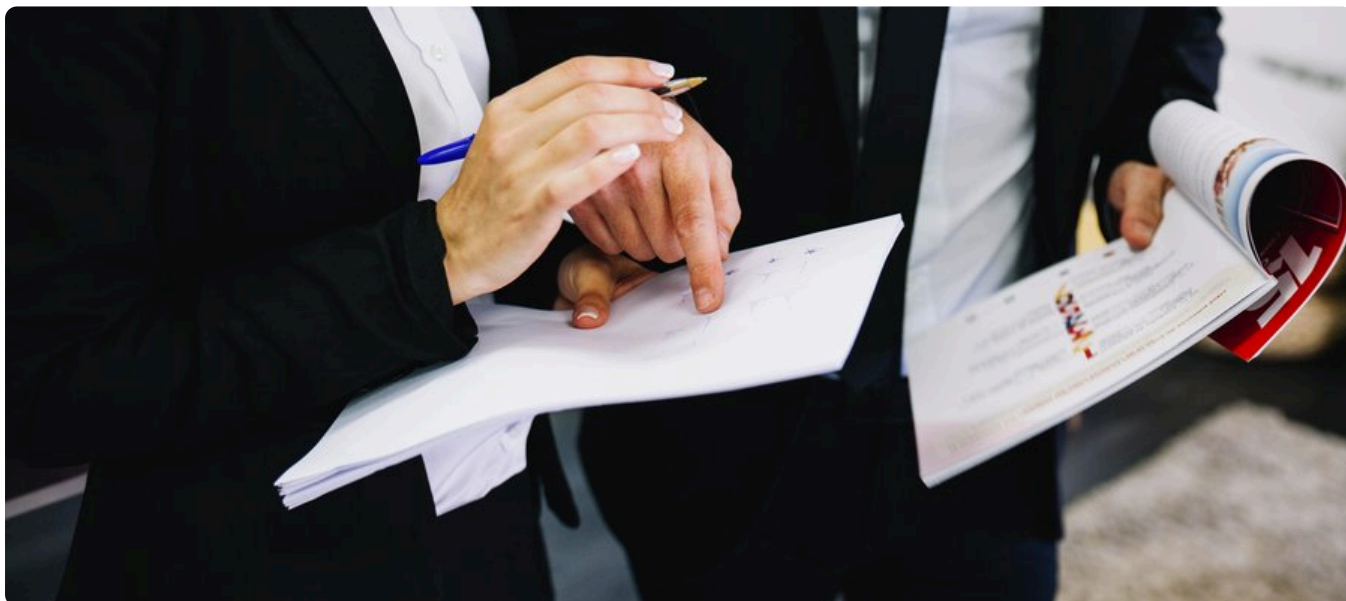
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**Governance & Oversight:** Senior management oversees compliance with human rights obligations, ensuring that policies promoting ethical behavior are embedded within our governance framework.

**Adherence to the policy:** All employees are provided with the Bank's Code of Conduct and Employee Handbook, which outline our commitments to human rights, non-harassment, and non-discrimination. They are required to review, understand, and sign these documents, reaffirming their adherence to our ethical standards and responsibilities. The Bank is committed to maintaining a workplace and business environment that respects human dignity and fosters ethical conduct in alignment with global human rights standards.

**Bahrain Labor Law:** We remain committed to upholding the principles of human rights and due regard for our Bahrain labor laws. We are in full compliance with the Bahrain Labor Law that mandates due regard for human rights and working conditions of the workforce, prohibits employment of juveniles, and apprenticeship. As required by Bahrain labor law employees are eligible for one working day as parental leave.

**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 and family-friendly policies, ensuring that agreements reflect both individual and collective needs while fostering a fair and supportive workplace



SOCIAL FACTORS

# Health & Safety

Khaleeji is pleased to report that there have been no lost days due to work injuries and no fatalities occurred within the organization during the reporting period. This outcome underscores Khaleeji's strong commitment to ensuring a safe and healthy work environment for all employees. Comprehensive safety measures, training programs, and rigorous protocols are in place to prevent accidents, minimize risks, and prioritize the well-being of our workforce. The safety and welfare of our employees remain paramount, and we continually strive to maintain a workplace that upholds the highest standards of occupational health and safety.

At Khaleeji, we ensure that main offices and 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.

KPI'S	2023	2024	2025
Lost workdays due to injuries	Nil	Nil	<b>Nil</b>
Total Number of Injuries or Fatalities	Nil	Nil	<b>Nil</b>

SOCIAL FACTORS

# Nationalisation

## Bahrainization Commitment

The board and management of Khaleeji have adopted a strategic approach to maintain nationalization within the workforce, aligning with country regulations and policies where applicable.

In 2025, **93.8%** of the workforce comprises Bahraini nationals, reflecting the Bank's alignment with national employment strategies.

METRIC	2023	2024	2025
Total Number of National Employees	163	174	<b>181</b>
Total Number of Employees	170	185	<b>193</b>
Percentage of National Employees	95.9%	94.1%	<b>93.8%</b>

SOCIAL FACTORS

# Employee Training and Development

The Bank places strong emphasis on providing adequate training and development opportunities to its employees to foster continuous growth, skill enhancement, and career progression. Through comprehensive training programs, workshops, and access to learning resources, employees are equipped with the necessary knowledge, skills, and tools to excel in their roles and adapt to changing business needs. The Bank acknowledges that investing in employee training not only benefits individuals by enhancing their capabilities and job satisfaction but also contributes to overall organizational success, innovation, and competitiveness. By prioritizing ongoing training and development, the Bank demonstrates its commitment to nurturing a skilled and empowered workforce capable of meeting present and future challenges effectively.

## DEVELOPMENT AND TRAINING (AVERAGE HOURS)

S.NO	AVERAGE TRAINING HOURS	2023		2024		2025	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
1	Full-time Employees	17.50	18.20	11.46	11.80	12.23	11.53
2	Interns	39.30	—	40.00	40.00	40.00	40.00



## SOCIAL FACTORS

# Community Investment

Khaleeji has strengthened its commitment to social responsibility during the past year through various activities,

- Supported for the education sector through the launch of its annual "Banking Gateway" training program for 2025, attracting 40 university students, alongside organizing field visits in collaboration with the Central Bank of Bahrain.
- Sponsored the Academic Excellence Award at the American University of Bahrain and signed Memorandums of Understanding with several educational institutions to provide innovative financing solutions.
- Sponsored the "Khaleeji Padel Cup," participated in national youth and technology initiatives, and organized internal events to enhance employee wellbeing, including Bahrain Sports Day activities and Khaleeji's employee recognition program, "STARS."
- Sponsored and actively participated in Bahrain's annual Tree Week initiative in cooperation with the Capital Governorate, contributing to the expansion of green spaces.
- Sponsored the Bahraini National Football Team in 2025, reaffirming Khaleeji's support for national sports and youth development.
- Sponsored the Nasser bin Hamad Football Championship for schools in cooperation with the Ministry of Education
- Participated in the Ring the Bell for Gender Equality 2025 campaign in cooperation with Bahrain Bourse, underscoring Khaleeji's commitment to equal opportunity and inclusion.
- Organized a field visit for participants in the "Lame'a Junior" Program at Youth City 2030, introducing them to banking operations and enhancing their financial awareness.

METRIC (IN BHD)	2023	2024	2025
Community Investment	124,847	136,918	<b>213,085</b>
Total Community Investment in percentage of revenue	0.26%	0.27%	<b>0.33%</b>

# Governance Factors

## GOVERNANCE FACTORS

# Overall Governance

Khaleeji endeavor is to ensure business is conducted with the highest levels of integrity and transparency. We are continuously reviewing and developing our corporate governance policies to ensure that we adopt and comply with the changing requirements of the regulatory bodies and best practices.

We recognize that governance and business ethics have played a pivotal role in our success. Our Board of Directors provides strong leadership, instilling ethics and integrity, and ensuring sound governance practices and management.

As of 31st December 2025, Khaleeji's Board of Directors comprised ten members. Members of the Board were elected/appointed for a three-year renewable term during the Ordinary General Meeting ("OGM") held on 25 March 2024, with no female representation on the Board. One member was subsequently appointed during 2025 pursuant to Paragraph (a) of Article (197) of Commercial Companies Law, whose appointment was later ratified by shareholders during OGM held on 17 March 2025.

## BOARD COMPOSITION

BOARD OF DIRECTORS COMPOSITION	2023	2024	2025
Total Number of Members	9	10	10
Total Number of Independent Members	5	4	4
Total Number of Non-Independent Members	4	6	6
Total Number of Executive Members	2	2	2
Total Number of Non-Executive Members	7	8	8
Total Board Seats Occupied by Men	9	10	10

**GOVERNANCE FACTORS**

**BOARD NOMINATIONS, REMUNERATIONS, AND GOVERNANCE COMMITTEE (BNRGC)**

Main Responsibilities: The BNRGC's responsibilities include establishing the corporate governance framework, as well as implementing and overseeing policies related to compensation and incentives, human resources, and administration. The Committee also oversees the Business Integrity & Resilience Committee on ESG-related matters. This includes reviewing, discussing, and approving reports related to ESG.

BNRGC COMPOSITION	2023	2024	2025
Total Number of Members	4	3	3
Total Number of Independent Members	3	2	2
Total Number of Non-Independent Members	1	1	1
Total Number of Executive Members	0	1	0
Total Number of Non-Executive members	3	2	3
Total Board Seats Occupied by Men	4	3	3



## GOVERNANCE FACTORS

### BOARD AUDIT AND RISK MANAGEMENT COMMITTEE (BARMC)

The BARMC supervises all internal and external audits, as well as compliance and anti-money laundering. The Committee also oversees the risk management framework and is responsible for ensuring its effectiveness and managing any emerging risks according to parameters set by the board.

BARMC COMPOSITION	2023	2024	2025
Total Number of Members	3	5	5
Total Number of Independent Members	3	3	3
Total Number of Non-Independent Members	0	2	2
Total Number of Executive Members	0	1	1
Total Number of Non-Executive Members	3	1	4
Total Board Seats Occupied by Men	3	5	5

### BOARD INVESTMENT AND CREDIT COMMITTEE (BICC)

The BICC oversees all investment and credit approvals, as well as setting limits and investment strategies. BICC is also responsible for managing banking relationships, monitoring asset impairment, and asset liability management.

BICC COMPOSITION	2023	2024	2025
Total Number of Members	5	5	5*
Total Number of Independent Members	1	1	1
Total Number of Non-Independent Members	3	3	4
Total Number of Executive Members	2	0	1
Total Number of Non-Executive Members	2	4	4
Total Board Seats Occupied by Men	5	5	5

\*The CEO is included in the committee but is a non-voting member.

## GOVERNANCE FACTORS

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### 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.

#### 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 the findings is presented to the board, followed by actionable recommendations for improvement.

#### Future Improvements and Goal

**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.

#### Board Performance Metrics for 2025

- Number of Board Meetings: 6
- Committee Meetings Held: 27 (cumulative across all committees)
- Independent Directors: 4 out of 10 board members

GOVERNANCE FACTORS

# Remuneration Governance and Compensation Policy

The Bank has both a short-term and long-term compensation structure for its executive management which has been developed based on current market surveys and industry norms. The Bank also had an incentive scheme where in eligible employees were awarded a combination of shares and cash incentives on achievement of pre-determined performance targets. The defined benefit plan obligation and other retirement plans as per the Bahrain Labor law.

The Bank’s board remuneration is determined in line with the provisions of Article 188 of the Companies Law, and their annual remuneration is subject to the approval of the shareholders during the AGM at the end of each year. The Board of Directors is also entitled to sitting fees.

### Remuneration Metrics for 2025 (Executive Management Remuneration for Top 6 Executives)

Total Remuneration	<b>BHD 2,114,834</b>
Fixed Salaries and Allowances	<b>BHD 1,156,251</b>
Variable Bonuses	<b>BHD 818,124</b>
Other Compensation	<b>BHD 140,459</b>



## GOVERNANCE FACTORS

# Risk Management and Compliance Framework

Khaleeji 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).

## Enterprise Risk Management (ERM) and BARMC Oversight

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.

## 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.

## Compliance Automation: The Risk Nucleus System

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.

## 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.

## Future Goals for Risk and Compliance

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

## GOVERNANCE FACTORS

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### CONFLICT OF INTEREST

Khaleeji follows a structured process and has a formally documented Conflict of interest and related party transaction policy to ensure transparency and disclose potential conflicts of interest. The corporate governance charter for the Board of Directors requires Board members to ensure that no conflict of interest exists, including having an interest in the same line of business. The employee code of conduct also requires employees to exercise discretion in order to avoid potential conflicts of interest. This policy covers disclosures related to cross-board memberships, cross-shareholdings with suppliers and stakeholders, the existence of controlling shareholders, and related-party relationships, transactions, and outstanding balances. Through this framework, Bank aims to identify, manage, and disclose conflicts of interest to stakeholders effectively.

### WHISTLEBLOWING

The Whistleblowing Policy is applicable to Directors, all staff members, and external parties who observe any misconduct in their interactions with the Bank. It establishes a clear procedure for reporting issues such as violations of internal policies or legal requirements, fraudulent activities, misuse of resources, safety concerns, environmental damage, and various other unethical actions. Khaleeji follows a structured process and has a formally documented Whistleblower Policy to facilitate internal and external mechanisms for seeking advice and reporting concerns related to organizational integrity. This policy provides clear channels for employees and stakeholders to raise issues confidentially and safely. Additionally, the Bank conducts periodically awareness initiatives to promote understanding of ethical practices and encourage reporting of concerns, reinforcing a culture of transparency and integrity within the Bank.

**GOVERNANCE FACTORS**

**ANTI-MONEY LAUNDERING / COMBATING FINANCING OF TERRORISM**

At Khaleeji, the AML/CFT policy is crucial to prevent our products and services from being misused for money laundering and terror financing activities. The CBB's Financial Crime Module for Islamic bank licensees is relevant requires entities to ensure that AML/CFT policies are instituted, and clear policies and procedures are established under this policy for prevention of financial crimes. In the recent period, we have focused on elevating our compliance with the AML/CFT requirements through automated systems, employee training, and communication. Our AML/CFT Policy requires that every transaction be recorded in the accounting system in addition to enhanced customer due diligence, KYC processes, monitoring and reporting. Relevant controls and procedures about suspicious transactions and identity verification are also included in this policy.

We have also placed emphasis on ensuring that existing staff undergo AML/CFT training on a periodic basis. Regular external audits and compliance monitoring reviews are conducted on a periodic basis.

As a financial entity, bribery & anti-corruption measures are pivotal for the ethical and transparent business ecosystem. Our Group Code of Conduct establishes clear prohibitions on accepting bribes in any form it includes gifts, favored treatments from clients, suppliers or other stakeholders of the Bank.

All the new employees need to undergo extensive training related to the Code of Conduct. All the existing employees are also required to attest that they are aware of and abide by the Code of Conduct. The highest levels of professional and personal discretion are expected from all our employees during regular operations

KPI'S	2023	2024	2025
Numbers of confirmed cases of corruption	Nil	Nil	Nil



## GOVERNANCE FACTORS

# Data Privacy and Customer Protection

Khaleeji Bank has established a comprehensive Data Privacy Manual aligned with Bahrain's Personal Data Protection Law (PDPL) and international best practices such as GDPR. The framework defines governance roles, including the Data Controller and Data Protection Guardian, supported by a Privacy Committee and departmental Champions to ensure organizational compliance. Key components include robust lifecycle management, security measures, incident response protocols, and ongoing compliance reviews to safeguard customer data and maintain trust.

The Bank is ISO 27001:2022 certified for its Information Security Management System (ISMS), with regular vulnerability assessments, penetration testing, and team training on cybersecurity best practices. We are deploying advanced AI/ML-powered fraud detection systems to monitor transactions and respond swiftly to anomalies.

Customer-centric initiatives include transparent privacy notices, awareness campaigns, and rapid breach notifications in compliance with PDPL. Our continuous security initiatives enhance digital protection through segmentation, identity verification, and continuous monitoring.

Employee training programs on cybersecurity and data handling policies are mandatory, reinforced through phishing simulations and strict policy enforcement. Additionally, Khaleeji Bank actively collaborates with the Bahrain Association of Banks to share intelligence, comply with regulations, and strengthen sector-wide cybersecurity resilience.

Through these initiatives, the Bank demonstrates its unwavering commitment to data privacy, security, and responsible digital banking, fostering customer trust and regulatory compliance.



## GOVERNANCE FACTORS

# Disclosure Practice

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The Bank regularly publishes a comprehensive sustainability report that highlights its environmental, social, and governance (ESG) performance, initiatives, and impact. The sustainability report serves as a tool to communicate the Bank's sustainability efforts, progress towards goals, and commitment to responsible business practices to stakeholders, investors, customers, and the wider community.

The report typically covers key sustainability metrics, targets, achievements, challenges, and strategies for improving sustainability performance.

Moreover, the Bank integrates sustainability data into various disclosures, including annual reports, financial statements, corporate governance documents, and other public communications. By incorporating sustainability data in its disclosures, the Bank demonstrates transparency, accountability, and a commitment to ESG integration across its operations and decision-making processes. This approach helps stakeholders understand the Bank's sustainability performance, risk management practices, and long-term value creation strategies.

# Appendices

APPENDICES

# CBB KPI Checklist

The Central Bank of Bahrain's Common Volume Part A – ESG Module includes a list of the recommended ESG KPIs. The following ESG index provides a reference to the location within this publication where each CBB Recommended ESG KPI has been reported, in addition to the reasons for its omissions, wherever applicable.

KPI	MAIN REPORTING COMPONENT (S)	LOCATION	PAGE NO.	REASON FOR PARTIAL DISCLOSURE OR NON-DISCLOSURE IF ANY	FRAMEWORK IT IS REPORTED IN ACCORDANCE WITH, IF ANY
<i>Area: Direct energy consumption</i>					
E.1 Environmental Oversight	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.)	ESG Governance and Framework	12-14	-	GRI 3: Material Topics 2021
	2. A statement of purpose and approach of the board/management towards sustainability matters.	ESG Governance and Framework	12-14	-	TCFD: Strategy - Recommended Disclosure (a) and (b)
	3. A description of the following (where applicable): 3.1 Policies 3.2 Commitments 3.3 Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets) 3.4 Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer(s); Board committees etc.) 3.5 Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about climate/sustainability targets and processes.	ESG Governance and Framework	12-14	-	CDSB Framework REQ-01, REQ-02
E.2 Energy Consumption	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)	Energy Consumption	17-18	-	GRI 302-1, 302-2
	1.2 Direct energy consumed, classified by renewable and non-renewable sources	Energy Consumption	17-18	-	GRI 302-3
	2. State the standards, techniques, assumptions, and/or calculation tools utilised	Department of Environment, Food & Rural affairs	17-18	-	GRI 302-3

APPENDICES

# CBB KPI Checklist (continued)

KPI	MAIN REPORTING COMPONENT(S)	LOCATION	PAGE NO.	REASON FOR PARTIAL DISCLOSURE OR NON-DISCLOSURE IF ANY	FRAMEWORK IT IS REPORTED IN ACCORDANCE WITH, IF ANY
<b>E.3 Energy Intensity</b>	1. Report total energy consumed during the year divided by the selected scaling factor (e.g., sales, revenue etc.)	Energy Consumption	17-18	-	GRI 302-3
	2. State the standards, techniques, assumptions, and/or calculation tools utilised	Department of Environment, Food & Rural affairs	17-18	-	GRI 302-3
<b>E.4 Energy Mix</b>	1. Report the percentage of energy used by source, as part of total energy consumption	Energy Consumption	17-18	-	GRI 302
	2. Report the percentage of renewable and non-renewable energy used, as part of total energy consumption	Energy Consumption	17-18	-	
<b>E.5 Greenhouse Gas (GHG) Emissions</b>	1. Report total absolute emissions by scope:	Green House Gas (GHG) Emissions	18	-	GRI 305
	1.1 Total amount, in CO <sub>2</sub> equivalents, for Scope 1	Green House Gas (GHG) Emissions	18	-	GHG Protocol: Calculation Tools and Guidance
	1.2 Total amount, in CO <sub>2</sub> equivalents, for Scope 2	Green House Gas (GHG) Emissions	18	-	
	1.3 Total amount, in CO <sub>2</sub> equivalents, for Scope 3 (if applicable)	Green House Gas (GHG) Emissions	18	-	
	2. State the standards, techniques, assumptions, and/or calculation tools utilised	Department of Environment, Food & Rural affairs	18	-	
<b>E.6 Emission Intensity</b>	1. Report total annual GHG emission during the year divided by the selected scaling factor	Green House Gas (GHG) Emissions	18	-	GRI 305: Emissions 2016

APPENDICES

# CBB KPI Checklist (continued)

KPI	MAIN REPORTING COMPONENT(S)	LOCATION	PAGE NO.	REASON FOR PARTIAL DISCLOSURE OR NON-DISCLOSURE IF ANY	FRAMEWORK IT IS REPORTED IN ACCORDANCE WITH, IF ANY
	2. State the standards, techniques, assumptions, and/or calculation tools utilized	Department of Environment, Food & Rural affairs	18	-	GHG Protocol: Calculation Tools and Guidance
E.7 Climate Risk Mitigation	1. Describe how your company identifies, assesses, and manages climate-related risks (including physical risks and transition risks)	Climate Risk Mitigation Energy Efficiency & Climate Risk at Khaleeji Bank	14	-	TCFD: Risk Management - Recommended Disclosure (a) and (b)
	2. Report the amount invested annually in climate-related issues (in BHD or USD) (e.g., research and product innovation)	NIL	-	-	CDSB Framework: REQ-03
E.8 Water Usage	1. Report the total annual amount of water consumed by the organisation	Water Consumption	19	-	GRI 303
	2. Report the total annual amount of water withdrawn by the organisation	Water Consumption	19	-	CDP Water Security Reporting Guidance 2022
	3. Report the total annual amount of water recycled/reclaimed by the organisation	Water Consumption	19	-	
E.9 Waste Generation	1. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste (hazardous and non-hazardous)	Waste Management	19	-	GRI 306
	2. Description of the company's waste disposal method(s)	Waste Management	19	-	
	2.1 Description of the company's sustainable waste management practices (such as recycling initiatives and waste reduction strategies)	Waste Management	19	-	
	3. State the standards, techniques, assumptions, and/or calculation tools utilised	Waste Management	19	-	

APPENDICES

# CBB KPI Checklist (continued)

KPI	MAIN REPORTING COMPONENT(S)	LOCATION	PAGE NO.	REASON FOR PARTIAL DISCLOSURE OR NON-DISCLOSURE IF ANY	FRAMEWORK IT IS REPORTED IN ACCORDANCE WITH, IF ANY
E.10 Emission Targets	1. A statement on how the company addresses its total emission	SDG Alignment	15, 16	-	GRI 3
	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	SDG Alignment	15, 16	-	
	3. A description of the following (where applicable): 3.1 Policies 3.2 Commitments 3.3 Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets) 3.4 Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer(s); Board committees etc.) 3.5 Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about climate/sustainability targets and processes.	SDG Alignment / ESG Governance and Framework	12-16	-	GRI 305
<i>Area: Social</i>					
S.1 Total Workforce by Sex, Age- Group, and Employment Type	1. Report total number of employees currently employed within the organisation	Workforce composition	22	-	GRI 2: General Disclosures 2021, GRI 405
	1.1 Composition of the total workforce by sex, as percentage of the total workforce	Workforce composition	22	-	
	1.2 Composition of the total workforce 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	Work force composition	22	-	
	1.3 Composition of the total workforce by employment type (e.g., full-time, part-time, intern etc.), as a percentage of the total workforce	Work force composition	22	-	

APPENDICES

# CBB KPI Checklist (continued)

KPI	MAIN REPORTING COMPONENT(S)	LOCATION	PAGE NO.	REASON FOR PARTIAL DISCLOSURE OR NON-DISCLOSURE IF ANY	FRAMEWORK IT IS REPORTED IN ACCORDANCE WITH, IF ANY
S.2 Child and Forced Labour	1. A statement on how the organisation addresses prohibition of child and or/forced labour	NA	-	Our practices are in strict accordance with Bahrain's Labor Law and are guided by international human rights standards, ensuring that our operations do not contribute to any human rights abuses such as forced labor, child labor, or discrimination. We are committed to fostering a workplace environment that upholds the rights and dignity of every individual, both internally and throughout our entire supply chain.	GRI 2, GRI 405
	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	NA	-		
	3. A description of the following (where applicable): 3.1 Policies 3.2 Commitments 3.3 Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets) 3.4 Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer(s); Board committees etc.) 3.5 Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about climate/sustainability targets and processes.	NA	-		
S.3 Employee Turnover	1. Report total annual employee turnover rate (whether voluntary or involuntary) for full-time employees during the reporting period, by sex	Employee turnover	23	-	GRI 401
	2. Report total annual employee turnover rate (whether voluntary or involuntary) for full-time employees during the reporting period, 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)	Employee turnover	23	-	
S.4 Gender Pay Ratio	1. Report the median total compensation for women compared to the median total compensation for men (as a ratio)	Gender Pay Ratio	23	-	GRI 405
S.5 Health and Safety	1. Report on the total number of injuries and fatalities occurred in each of the past three years including the reporting year	Health and Safety	26	-	GRI 403
	2. Report lost days due to work injury in each of the past three years including the reporting year	Health and Safety	26	-	
	3. A description of occupational health and safety measures adopted, and how they are implemented and monitored	Health and Safety	26	-	

APPENDICES

# CBB KPI Checklist (continued)

KPI	MAIN REPORTING COMPONENT(S)	LOCATION	PAGE NO.	REASON FOR PARTIAL DISCLOSURE OR NON-DISCLOSURE IF ANY	FRAMEWORK IT IS REPORTED IN ACCORDANCE WITH, IF ANY
S.6 Non-Discrimination	1. A statement on how the organisation addresses harassment and discrimination matters	Human rights and Non-Discrimination and labor law	24, 25	-	GRI 406, GRI 3
	2. A statement of the board/management approach, including whether it is subject to any country, regional, or industry-level regulations and policies	Human rights and Non-Discrimination and labor law	24, 25	-	
S.7 Nationalisation	1. A statement of the board/management approach to increase nationalisation, including whether it is subject to any country regulations and policies	Nationalization	26	-	GRI 406, GRI 3
S.8 Community Investment	1. Amount invested in the community as a percentage of company revenues	Community Investment	28	-	GRI 3
	2. Description of the scope and impact of its community investment initiatives	Community Investment	28	-	
S.9 Human Rights	1. A statement on how the organisation addresses human rights	Human rights and Non-Discrimination and labor law	24, 25	-	GRI 412, GRI 3
	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	Human rights and Non-Discrimination and labor law	24, 25	-	
	3. A description of the following (where applicable): 3.1 Policies 3.2 Commitments 3.3 Goals and targets (e.g., a description of how management/the board oversee progress against climate/sustainability related targets) 3.4 Responsibilities (e.g., if responsibilities are delegated to management-level positions; dedicated sustainability officer(s); Board committees etc.) 3.5 Specific actions, such as processes, projects, programs, initiatives and frequency at which the board is informed about climate/sustainability targets and processes.	Human rights and Non-Discrimination and labor law	24, 25	-	

APPENDICES

# CBB KPI Checklist (continued)

KPI	MAIN REPORTING COMPONENT(S)	LOCATION	PAGE NO.	REASON FOR PARTIAL DISCLOSURE OR NON-DISCLOSURE IF ANY	FRAMEWORK IT IS REPORTED IN ACCORDANCE WITH, IF ANY
S.10 Management Composition/Diversity	1. Report percentage of male to female metrics, as per the below categories: 1.1 Entry-level	Management composition	24	-	GRI 405
	1.2 Mid-level	Management composition	24	-	
	1.3 Senior/Executive level positions	Management composition	24	-	
S.11 Development and Training	1. Report average hours of training, as per the below categories:	Employee Training and Development	27	-	GRI 404
	1.1 By Sex	Employee Training and Development	27	-	
	1.2 By Employee category (Full-time, part-time, internship etc.)	Employee Training and Development	27	-	
<i>Area: Governance</i>					
G.1 Board Composition	1. Report board size	Governance	29-31	-	GRI 2
	2. Report female board directors by number and percentage of the Board size	Governance	29-31	-	
	3. Report composition of the board and its committees by:	Governance	29-31	-	
	3.1 Executive or non-executive	Governance	29-31	-	
	3.2 Independence	Governance	29-31	-	
	3.3 Tenure	Governance	29-31	-	
	3.4 Representation (appointed or elected)	Governance	29-31	-	
	3.5 Details of non-compliance with regulations, as well as a description of the corrective actions taken	None	29-31	-	

APPENDICES

# CBB KPI Checklist (continued)

KPI	MAIN REPORTING COMPONENT(S)	LOCATION	PAGE NO.	REASON FOR PARTIAL DISCLOSURE OR NON-DISCLOSURE IF ANY	FRAMEWORK IT IS REPORTED IN ACCORDANCE WITH, IF ANY
	1. Report total enterprise headcount covered by collective bargaining agreements (Unions) (if applicable)	NA	-	-	
<b>G.2 Collective Bargaining</b>	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.)	Collective Bargaining	25	-	GRI 407
<b>G.3 Whistleblowing</b>	1. Provide a description of internal and external mechanisms for seeking advice and reporting concerns on organisational integrity	Whistleblowing	35	-	GRI 2
	2. Provide a description on awareness initiatives conducted by the organisation	Whistleblowing	35	-	
<b>G.4 Data Privacy</b>	1. Provide a description of the company's Data Privacy policy	Data Privacy and Customer Protection	37	-	GRI 2
	2. Provide a statement of the steps taken to comply with Personal Data Protection Law (PDPL) rules	Data Privacy and Customer Protection	37	-	
<b>G.5 Disclosure Practices</b>	1. Report if the company provides its sustainability data to sustainability supporting organisations such as the GRI Secretariat, United Nations (UN), CDP etc.	Disclosure Practice	38	-	GRI 2
	2. Report if the company focuses on specific UN Sustainable Development Goals (SDGs), including setting targets and reporting progress	Disclosure Practice	38	-	
	3. State whether the company publishes a sustainability report and/or how it integrates sustainability data in its disclosures	Disclosure Practice	38	-	

APPENDICES

# CBB KPI Checklist (continued)

KPI	MAIN REPORTING COMPONENT(S)	LOCATION	PAGE NO.	REASON FOR PARTIAL DISCLOSURE OR NON-DISCLOSURE IF ANY	FRAMEWORK IT IS REPORTED IN ACCORDANCE WITH, IF ANY
<b>G.6 Conflict of Interest</b>	1. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: 1.1 Cross-board membership	Conflict of interest	35	-	GRI 2
	1.2 Cross-shareholding with suppliers and other stakeholders	Conflict of interest	35	-	
	1.3 Existence of controlling shareholders	Conflict of interest	35	-	
	1.4 Related parties, their relationships, nature, transactions, and outstanding balances	Conflict of interest	35	-	
<b>G.7 Supplier Code of Conduct</b>	1. Provide a description of the company's Supplier Code of Conduct	NA	-	The Bank is currently in the process of developing supplier code of conduct.	GRI 2
	2. Report the percentage of suppliers that comply with the company's code of conduct and the compliance assessment mechanism	NA	-		
<b>G.8 Incentivised Pay</b>	1. Report if executives are formally incentivised to perform on sustainability	NA	-	Khaleeji is dedicated to embedding sustainability into our core practices and incorporating sustainability Key Performance Indicators (KPIs) into our operational framework. While we acknowledge the significance of aligning financial rewards with long-term sustainability objectives, we do not yet have a formalized system that ties incentives or bonuses directly to sustainability performance.	GRI 2
	2. Report the percentage of executive compensation tied to ESG performance metrics	NA	-		
	3. Provide a description of other links between executive performance and sustainability performance (if any)	NA	-		

APPENDICES

# CBB KPI Checklist (continued)

KPI	MAIN REPORTING COMPONENT(S)	LOCATION	PAGE NO.	REASON FOR PARTIAL DISCLOSURE OR NON-DISCLOSURE IF ANY	FRAMEWORK IT IS REPORTED IN ACCORDANCE WITH, IF ANY
<b>G.9 Ethics &amp; Anti-Corruption</b>	1. Report if your company follows an Ethics and/or Anti-Corruption policy	Adherence to the policy	25	-	
	1.1 If yes, report the percentage of the workforce that has formally certified its compliance with the policy (provide description of certification and process)	Adherence to the policy	25	-	GRI 2, GRI 3
	2. Provide a statement of the company's commitment towards its ethics and/or anti-Corruption policy/position	Adherence to the policy	25	-	
<b>G.10 Assurance</b>	1. Provide a description of the process by which sustainability disclosures are assured or validated	NA	NA	-	GRI 2, GRI 3
	1.1 Report if the company's sustainability disclosures are assured or validated by an independent third party	NA	NA		

APPENDICES

# GRI Index Referencing

Khaleeji has reported the information cited in this GRI content index for the period January 2025 to December 2025 with reference to the GRI Standards.

## GRI 1 – General Disclosures

S. NO	GRI 1 - GENERAL DISCLOSURES	LOCATION
1	Organizational details	3
2	Entities included in the organization's sustainability reporting	3
3	Reporting period, frequency and contact point	2
4	Restatements of information	NA
5	External assurance	NA
6	Activities, value chain and other business relationships	3
7	Employees	21-22
8	Workers who are not employees	21-22
9	Governance structure and composition	29-31
10	Nomination and selection of the highest governance body	29-31
11	Chair of the highest governance body	29-31
12	Role of the highest governance body in overseeing the management of impacts	29-31
13	Delegation of responsibility for managing impacts	29-31
14	Role of the highest governance body in sustainability reporting	29-31
15	Conflicts of interest	35
16	Communication of critical concerns	35
17	Collective knowledge of the highest governance body	29-31

## APPENDICES

# GRI Index Referencing (continued)

S. NO	GRI 1 - GENERAL DISCLOSURES	LOCATION
18	Evaluation of the performance of the highest governance body	32
19	Remuneration policies	33
20	Process to determine remuneration	33
21	Annual total compensation ratio	33
22	Statement on sustainable development strategy	10-11
23	Policy commitments	10
24	Embedding policy commitments	10
25	Processes to remediate negative impacts	14
26	Mechanisms for seeking advice and raising concerns	35
27	Compliance with laws and regulations	No case of non-Compliance
28	Membership associations	NA
29	Approach to stakeholder engagement	7
30	Collective bargaining agreements	25

## Material Topics

S. NO	MATERIAL TOPICS	LOCATION
1	Process to determine material topics	10-11
2	List of material topics	11
3	Management of material topics	10-11

## APPENDICES

# GRI Index Referencing (continued)

## GRI Specific Disclosures

GRI STANDARD	DISCLOSURE	LOCATION
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report
	201-2 Financial implications and other risks and opportunities due to climate change	14
	201-3 Defined benefit plan obligations and other retirement plans	33
	201-4 Financial assistance received from government	Nil
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	As per Bahrain Labour Law
	202-2 Proportion of senior management hired from the local community	26
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	NA
	203-2 Significant indirect economic impacts	NA
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	NA
	205-2 Communication and training about anti-corruption policies and procedures	24-25
	205-3 Confirmed incidents of corruption and actions taken	Nil
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	NA

## APPENDICES

# GRI Index Referencing (continued)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 302 Energy Consumption	302-1 Energy consumption within the organization	17
	302-2 Energy consumption outside of the organization	17
	302-3 Energy intensity	17
	302-4 Reduction of energy consumption	18
GRI 303 Water Management	303-1 Interactions with water as a shared resource	19
	303-2 Management of water discharge related impact	19
	303-3 Water withdrawal	19
	303-4 Water discharge	19
303-5 Water consumption	19	
GRI 305 Emissions	305-1 Direct (Scope 1) GHG emissions	18
	305-2 Energy indirect (Scope 2) GHG emissions	18
	305-3 Other indirect (Scope 3) GHG emissions	18
	305-4 GHG emissions intensity	18
	305-5 Reduction of GHG emissions	18

## APPENDICES

# GRI Index Referencing (continued)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 306 Waste Management	306-1 Waste generation and significant waste-related impacts	19
	306-2 Management of significant waste-related impacts	19
	306-3 Waste generated	19
GRI 308 Supplier Assessment	308-1 New suppliers that were screened using environmental criteria	NA
GRI 401 Employment	401-1 New employee hires and employee turnover	23
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	26
	401-3 Parental leave	26
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	26
GRI 403 Occupational Health and Safety	403-1 Occupational health and safety management system	26
	403-2 Hazard identification, risk assessment, and incident investigation	26
	403-3 Occupational health services	26
	403-4 Worker participation, consultation, and communication on occupational health and safety	26
	403-5 Worker training on occupational health and safety	26
	403-6 Promotion of worker health	26
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	26
	403-8 Workers covered by an occupational health and safety management system	26
	403-9 Work-related injuries	26
	403-10 Work-related ill health	26
GRI 404 Training and Development	404-1 Average hours of training per year per employee	27

## APPENDICES

# GRI Index Referencing (continued)

GRI STANDARD	DISCLOSURE	LOCATION
	404-2 Programs for upgrading employee skills and transition assistance programs	27
	404-3 Percentage of employees receiving regular performance and career development reviews	27
GRI 405 Diversity & Inclusion	405-1 Diversity of governance bodies and employees	20
	405-2 Ratio of basic salary and remuneration of women to men	23
GRI 406 Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken	24
GRI 407 Freedom of Association	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	NA
GRI 408 Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	NA
GRI 409 Forced Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	NA
GRI 413 Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	28
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria actions taken	NA
	414-2 Negative social impacts in the supply chain and actions taken	NA
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Nil

**KHALEEJI** 

YOUR PARTNER IN AMBITION

# Thank You



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