

Environmental, Social and Governance Position Statement

1. Our Commitment

The Bank of Bahrain and Kuwait (herein referred to as “The Bank” or “BBK”) recognizes sustainability to be a modern challenge affecting society and the environment. This challenge comprises multiple Environmental, Social and Governance (ESG) aspects, such as climate change, community investment, human rights, anti-corruption, and board formation. The Bank acknowledges the importance of considering the ESG implications of its activities and furthermore, the Bank understands that its ESG responsibilities are best fulfilled by embedding the Bank’s core values into its policies, procedures and practices in order to support its people, society and the world.

2. Purpose & Scope

The purpose of this Position Statement is to define the Bank’s approach to its ESG commitments and to formulate its role in driving sustainability integration in everything it does. BBK aims to take ESG considerations, where applicable, as part of its business framework and part of its decision-making processes.

This Position Statement is supported by senior management.

3. Environment

The Bank strives to use earth’s resources responsibly and ensure proper environmental management and impact reduction related to its operations and products. BBK aims to minimize the environmental impact of its own operations by reducing atmospheric emissions and minimizing electricity and paper consumption.

The Bank’s approach to protecting the planet’s sustainability will be driven by the following key principles:

- Reduce the use of natural resources, wherever possible, in business operations.
- Avoid contributing to inappropriate ecological impacts caused by the activities of customers, suppliers and business partners.
- Support practices that lead to greater environmental sustainability.

4. Social

4.1 Responsible relations with customers

The Bank will strive to work closely with its customers to encourage sustainable practices and enable economic activities that support its sustainability ambition. The Bank will share information with customers with transparency and effective communication to enable better financial decisions and to promote sustainable development. The Bank has developed a Responsible Customer Relations Position Statement that sets out its commitment to promote transparency in banking products and services.

4.2 Data privacy

The Bank will ensure customer information is secured and will follow the guidelines of all applicable privacy and data protection laws and regulations. The Bank has a Data Privacy Policy that safeguards the privacy of personal information through adequate security measures.

4.3 Employee training and development

The Bank has developed a Training and Career Development Position Statement that sets out its commitment to achieve a highly motivated and productive work environment for the Bank's employees. BBK continuously provides its employees with career development programs.

4.4 Equal opportunity

The Bank respects the rights of people and aims to promote a diverse and inclusive workforce and prohibits discrimination on the basis of gender, age, religion, ethnicity or nationality in the workplace.

4.5 Community investment

The Bank is committed to supporting and contributing to the community it operates in and to make a difference. BBK has several activities that it focuses on, such as providing donations to different organizations, sponsorship initiatives, and youth development. The projects fall into any one of the following fields: health, charity, culture, research, education, philanthropy, environmental protection, and sports, amongst others.

4.6 Responsible lending

The Bank undertakes fair and responsible lending practices that strive to take into account ESG factors. BBK's lending practices consider the environmental and social impact of its clients in order to drive positive impact. A Responsible Banking Position Statement is available, which defines the measures the Bank takes to ensure responsible lending.

5. Governance

BBK's corporate governance is central to achieving the Bank's objectives and is fundamental in maintaining a leading position within the local and regional banking sectors. The Bank's Board of Directors is committed to excellence in governance and ensuring that the Bank's governance practices comply with all statutory requirements and best practice. The Corporate Governance model at the Bank includes all relevant stakeholders including employees, customers and the community at large.

The ESG Governance is defined within the Sustainability Governance Charter, which captures the roles & responsibilities and ESG framework.

5.1 Anti-Corruption and Anti-Money Laundering and Counter Terrorism Financing

The Bank has zero-tolerance for corruption and fraud acts. The Bank conducts all business with a high level of integrity, ethical standards and prevents situations where conflicts of interest and bribery could arise. BBK has implemented a policy framework that defines the measures it follows to counter any form of corruption, money laundering and counter terrorism financing.

5.2 Risk management

The Bank is committed to implementing appropriate strategies to identify, measure and monitor the risks associated with its activities on a continuous basis. BBK employs leading risk management practices with the aim to manage the overall risk profile in the most efficient and effective way.